



Utah Counties Indemnity Pool

BYLAWS COVERAGE ADDENDUM

PART I

A. General Coverage Declarations

1. The Utah Counties Indemnity Pool (the “POOL” or “UCIP”) is formed pursuant to the provisions of the Utah Interlocal Cooperation Act, Utah Code Ann. §11-13-101 et. seq., as a governmental entity within the scope of the Utah Governmental Immunity Act, Utah Code Ann. §63G-7-101 et. seq., and recognized as a Public Entity Insurance Mutual under the Utah Insurance Code, Utah Code Ann. §31A-1-103 et. seq. The POOL is a risk sharing arrangement among Utah County Governments and other eligible public agencies that are parties to the UCIP Amended Interlocal Cooperation Agreement as an alternative to insurance for the funding of costs associated with property and casualty losses. The purposes of the POOL are to provide a funding mechanism for property losses through group self-insurance, and casualty losses through a group liability reserve fund as described in Utah Code Ann. §63G-7-703, to provide for the purchase or joint purchase of insurance, and to assist MEMBERS in controlling costs by providing specialized governmental risk management services and systems.
2. This COVERAGE ADDENDUM is an ADDENDUM to and made a part of the Bylaws of the Utah Counties Indemnity Pool under authority of the Amended Interlocal Cooperation Agreement. This COVERAGE ADDENDUM shall not be construed to create a separate agreement among the MEMBERS of the POOL, or between the POOL and any individual MEMBER or other party.
3. It is the intent of the POOL to provide access to the funds of the POOL for the property and casualty losses covered in this COVERAGE ADDENDUM to each MEMBER and those who work for them or on their behalf in accordance with the laws of the State of Utah. The term “coverage” as used in the Amended Interlocal Cooperation Agreement, the Bylaws, this COVERAGE ADDENDUM, and any endorsement to this ADDENDUM means the MEMBERS’ ability to access the funds of the POOL to indemnify the MEMBER and other COVERED PARTIES for loss. This COVERAGE ADDENDUM is made a part of the Bylaws to eliminate misunderstandings regarding coverages; to avoid coverage disputes; to clarify responsibilities during the claims handling process; and to provide the MEMBERS with a document that identifies when and to what extent a MEMBER or other COVERED PARTY will be indemnified for loss from the funds of the POOL.

B. Term of Coverage

1. As respects each individual MEMBER, the term of coverage under this ADDENDUM shall run uninterrupted from the time the entity becomes a MEMBER under the terms of the Amended Interlocal Cooperation Agreement until that membership is withdrawn or terminated under the provisions of that Agreement:

PART II GENERAL COVERAGE CONDITIONS

A. Claims Made Coverage

1. All liability coverage provided by this COVERAGE ADDENDUM including General Liability, Auto Liability, Public Officials Errors & Omissions and Employee Benefits Liability Sections of this COVERAGE ADDENDUM provide “Claims made” coverage. The coverages provided by those Sections are limited to CLAIMS first made against a COVERED PARTY while the COVERAGE ADDENDUM is in force. All first party coverages provided by this COVERAGE ADDENDUM, including PROPERTY, crime, and AUTO physical damage are provided on an occurrence basis.

A CLAIM shall be considered as being first made when the MEMBER first gives notice in writing to the POOL that a CLAIM has been made against a COVERED PARTY. All CLAIMS arising out of the same OCCURRENCE or WRONGFUL ACT are considered to be one CLAIM and are considered to have been made when the first such CLAIM is made. The terms, conditions and limits of this ADDENDUM that apply to any CLAIM are those in effect when the CLAIM is first made.

2. The General Liability (which includes Law Enforcement Liability) and Automobile Liability Sections of this COVERAGE ADDENDUM apply to a CLAIM only if the OCCURRENCE giving rise to the CLAIM took place after the retroactive date shown in the General Liability, Law Enforcement Liability and Auto Liability Retroactive Dates Endorsement and before the MEMBER’s withdrawal or termination from the POOL.
3. The Public Officials Errors & Omissions and Employee Benefits Liability Sections of this COVERAGE ADDENDUM apply to a CLAIM only if the WRONGFUL ACT, negligent act, or error or omission giving rise to the CLAIM occurred after the retroactive date shown in the Errors and Omissions Retroactive Dates Endorsement of this ADDENDUM and before the MEMBER’s withdrawal or termination from the POOL.

B. Contribution Payments

Contributions are determined by the Board of Directors annually for the forthcoming fiscal period of the POOL and are based upon current underwriting information, actuarial rate analysis and the POOL’s current financial position.

C. Territorial Scope

This coverage applies to OCCURRENCES, WRONGFUL ACTS, negligent acts, errors and omissions worldwide for which SUIT is brought in the United States or for which CLAIMS are settled by the POOL.

D. Deductibles

The coverages provided herein are subject to a PROPERTY deductible of \$500 with the exception of the deductible for Flood, as described herein, an AUTOMOBILE physical damage deductible of \$1000 per vehicle and a crime deductible of \$500 per OCCURRENCE. (AUTOMOBILE physical damage is covered under the PROPERTY Section.) The PROPERTY deductible does not apply to third party AUTO liability CLAIMS:

E. Arbitration

1. In the event a COVERED PARTY and the POOL are unable to agree on any matter concerning this COVERAGE ADDENDUM, including but not limited to coverage issues, the dispute shall be resolved through arbitration, not litigation. Either party may issue a written demand for arbitration. The COVERED PARTY and the POOL shall agree on the selection of an arbitrator. If they cannot agree within 30 days, either party may request that selection be made by a judge of a court having jurisdiction. Each party will pay the attorneys' fees and expenses it incurs and share the expenses of the arbitrator equally. If the COVERED PARTY's CLAIM for coverage is unsuccessful, the COVERED PARTY's portion of the arbitrator's fee is not covered.
2. Both parties shall agree upon the location of the arbitration; if they cannot agree, the selected arbitrator shall determine the location. Local rules as to arbitration procedure and evidence will apply. The arbitrator's decision will be binding, and that judgment may be entered in any court of competent jurisdiction

F. Cancellation/Non-Renewal

Any MEMBER may withdraw from a line of coverage or terminate MEMBERSHIP in the POOL, in accordance with the Amended Interlocal Cooperation Agreement and the Amended Bylaws of the POOL.

G. Claims

1. MEMBERS must notify the POOL in writing as soon as reasonably practicable of an ACCIDENT, OCCURRENCE, WRONGFUL ACT, negligent act, error or omission or other circumstance that may result in a CLAIM. To the extent possible, notice should include how, when and where the ACCIDENT, OCCURRENCE, WRONGFUL ACT, negligent act, error or omission, or circumstance took place; the names and addresses of any injured persons and witnesses; and the nature and location of any injury or damage arising out of the event. Informing the POOL of an ACCIDENT, OCCURRENCE, WRONGFUL ACT, negligent act, error or omission or other circumstance that may result in a CLAIM is not notice of a CLAIM.
2. If a CLAIM is received by any COVERED PARTY, the MEMBER shall immediately record the specifics of the CLAIM and the date received and shall notify the POOL as soon as practicable.

The MEMBER and any other involved COVERED PARTY shall:

- a. Immediately send the POOL copies of any demands, notices, summonses or legal papers received by the COVERED PARTY or the COVERED PARTY's agent in connection with the CLAIM or SUIT.
 - b. Authorize the POOL to obtain records and other information.
 - c. Cooperate with the POOL in the investigation, settlement or defense of the CLAIM or SUIT.
 - d. Assist the POOL, upon its request, in the enforcement of any right against any person or organization which may be liable to the COVERED PARTY because of injury or damage to which this COVERAGE ADDENDUM may also apply.
 - e. Submit, at the POOL's expense and as often as the POOL requires, to examinations by physicians selected by the POOL, and authorize the POOL to obtain medical reports and other pertinent information.
3. No MEMBER or other COVERED PARTY will, except at its own cost, voluntarily make a payment, assume any obligation or incur any expense, other than for first aid, without the POOL's consent.
 4. The COVERED PARTY shall promptly take at its own expense, except as otherwise provided in this ADDENDUM, all reasonable steps to prevent additional injury or damage from or arising out of the same or similar conditions at the same location where the initial injury or damage occurred. Any failure to take such preventative measures shall not constitute a breach of the condition unless the POOL has requested the COVERED PARTY in writing to undertake those preventative measures. Any such expense shall not be recoverable under this COVERAGE ADDENDUM.
 5. Additionally, to recover for loss to a covered AUTO or equipment, the COVERED PARTY shall:
 - a. Permit the POOL to inspect and appraise the damaged PROPERTY before its repair or disposition;
 - b. Do what is reasonably necessary after the loss to protect the covered AUTO from further loss;
 - c. Submit a proof of loss when required by the POOL; and
 - d. Promptly notify the appropriate local law enforcement agency if the AUTOMOBILE or piece of equipment was stolen.
 - e. Agree to examinations under oath at the POOL's request and give the POOL a signed statement of answers.

H. Due Diligence

The MEMBER shall use due diligence and concur in doing all things reasonably practical to avoid or diminish any loss of or damage to the PROPERTY insured.

I. Inspections, Audits and Verification of Values

The POOL or its authorized representatives may inspect the premises used by the MEMBER and audit the MEMBER's books or records at any time during the term of this ADDENDUM or within three years after its expiration or termination. There is no time limit for auditing the MEMBER's books or records with respect to CLAIMS under this ADDENDUM.

J. Mortgage

The interest of any mortgagor on PROPERTY covered by this ADDENDUM is included as if a separate endorsement were attached hereto to the extent of the amount of the mortgage as of the date of loss, subject to the limits of liability set forth in this ADDENDUM.

K. Insurance

If the COVERED PARTY has insurance or other coverage against loss or damage covered under this ADDENDUM, the POOL is liable under the terms of this ADDENDUM only as excess of coverage provided by such insurance or coverage. However, this clause does not apply to the insurance or coverage purchased to apply specifically in excess of the Limits of Coverage stated in this COVERAGE ADDENDUM.

L. Subrogation, Salvage and Recovery

The POOL shall be subrogated to all rights which the COVERED PARTY may have against any person or other entity in respect to any CLAIM or payment made under this COVERAGE ADDENDUM and the COVERED PARTY shall execute all papers required by the POOL and shall cooperate with the POOL to secure the POOL's rights. If any reimbursement is obtained, or salvage or recovery made by the COVERED PARTY or the POOL on account of any loss covered by the POOL, the net amount of such reimbursement salvage or recovery, after deducting the actual cost of obtaining or making the same, shall be applied in the following order:

1. To the amount of loss which has been paid by the POOL's excess/reinsurer.
2. To reduce the POOL's loss until the POOL is fully reimbursed.
3. To reduce the MEMBER's loss because of the application of the self- insured retention or any aggregate loss fund.

M. Fraudulent Claims

If a COVERED PARTY makes a CLAIM knowing the CLAIM to be false or fraudulent, in regard to the CLAIM's amount or otherwise, coverage shall become void and the CLAIM shall be forfeited.

N. Cross Liability

1. In the event of liability being incurred by reason of injury suffered by any employee of one MEMBER which does not arise out of the injured employee's employment, for which another MEMBER is liable, then this ADDENDUM shall indemnify the MEMBER for that liability in the same manner as if separate agreements had been issued to each MEMBER.
2. In the event of liability being incurred by reason of PROPERTY DAMAGE to PROPERTY belonging to any MEMBER for which another MEMBER is liable, then this ADDENDUM shall indemnify the MEMBER in the same manner as if separate agreements had been issued to each MEMBER.
3. Nothing contained in this condition shall operate to:
 - a. Increase the POOL's limits of liability; or
 - b. Include coverage for a MEMBER who sustains PROPERTY DAMAGE as a consequence of its own employee's acts.

O. Multiple Claims or Claimants

1. Inclusion herein of more than one MEMBER, NAMED MEMBER or COVERED PARTY or the making of more than one CLAIM or the bringing of SUITS by more than one person or organization shall not operate to increase Limits of Coverage.
2. All CLAIMS arising out of the same OCCURRENCE, WRONGFUL ACT, negligent act, error or omission or series of related OCCURRENCES, WRONGFUL ACTS, negligent acts, errors or omissions shall be treated as a single CLAIM. All such CLAIMS, whenever made, shall be considered first made when the first such CLAIM was first made, and all such CLAIMS shall be subject to the same Limits of Coverage

P. Governmental Immunity Act of Utah

The POOL's obligation to indemnify is first limited by the Governmental Immunity Act of Utah U.C.A. §63G-7-604. Nothing in this COVERAGE ADDENDUM is meant to waive the rights or immunities of any COVERED PARTY or the POOL provided by the Act. Liability limits provided in excess of the limitations set out in the Act are provided solely for CLAIMS not limited by the Act, including federal CLAIMS or CLAIMS filed in another state where neither the Governmental Immunity Act of Utah or any similar governmental immunity or tort limitation act of that state apply.

Q. Defense, Judgement and Settlement

1. The POOL will provide the MEMBER or the MEMBER's elected or appointed attorney legal representation to defend any SUIT against the MEMBER and any COVERED PARTY the MEMBER is required to defend under U.C.A. 63G-7- 902 and 17-18a-5-501 claiming DAMAGES for which coverage is afforded under this ADDENDUM for an OCCURRENCE or WRONGFUL ACT, even if any of the allegations of the SUIT are groundless, false, or fraudulent, and may make such investigation of any OCCURRENCE, WRONGFUL ACT and settlement of any CLAIM or SUIT as it deems expedient. No legal representation or defense will be provided for CLAIMS made against a COVERED PARTY in his or her personal capacity. The POOL has the right to select counsel; however, a COVERED PARTY may hire co-defense counsel, at the COVERED PARTY's expense, to assist in the defense of CLAIMs, provided the attorney selected by the POOL shall be lead counsel. If the MEMBER or the MEMBER's elected or appointed attorney does not accept the counsel selected by the POOL, it will be considered a waiver of the POOL's obligation to provide legal representation by the MEMBER, and the MEMBER and any COVERED PARTY shall have no right to defense or reimbursement or indemnification of defense costs provided by the POOL. Except to the extent otherwise specifically provided in this COVERAGE ADDENDUM, no COVERED PARTY shall, except at the COVERED PARTY's own expense, voluntarily make any payment, assume any obligation, or incur any expense without the POOL's prior written consent. The POOL's obligation to provide legal representation shall arise when the complaint or CLAIM alleges facts, which would obligate the POOL to indemnify the COVERED PARTY if the alleged facts were proven. The POOL will only be responsible for payment of that portion of a settlement or judgement, which relates to CLAIMs for which coverage is afforded under the terms of this ADDENDUM, provided, however:
 - a. The POOL shall not be obligated to pay any settlement or portion of any settlement unless the POOL has given prior written consent to the settlement, and
 - b. The POOL shall not be obligated to pay any settlement or judgement or to provide legal representation in defense of any SUIT after the applicable Limits of Coverage have been exhausted.
2. The Limits of Coverage shall include all costs, attorney's fees and expenses awarded to an adverse party in a litigated or contested CLAIM. All costs, attorney's fees and expenses incurred in the defense of a litigated or contested CLAIM, shall be excess of the Limits of Coverage set forth.
3. In the event of bankruptcy or insolvency of the MEMBER, such bankruptcy or insolvency may not diminish the coverage provided by this ADDENDUM regarding third parties. If execution against a MEMBER is returned unsatisfied, an action may be maintained against the POOL to the extent that the liability is covered by this ADDENDUM.

PART III GENERAL COVERAGE EXCLUSIONS

The following exclusions apply to all coverages described in this ADDENDUM. This ADDENDUM does not provide coverage for:

- A.** Loss, damage or any type of liability caused by or resulting from a fraudulent, dishonest or criminal act committed by the COVERED PARTY, whether working alone or with others, except as provided in the Crime coverages herein. The POOL may elect to defend a COVERED PARTY until it is determined that the CLAIM did arise out of a dishonest, fraudulent or criminal act without a waiver of any rights under this ADDENDUM.
- B.** Expenses from any cost, civil fine, penalty or expense against any COVERED PARTY for any compliance or enforcement action from any federal, state or local governmental regulatory agency.
- C.** Any liability arising out of either the ownership, operation, maintenance or activities of a hospital or NURSING HOME or the medical malpractice of any physician, medical doctor, osteopath, chiropractor, resident, extern or intern; psychiatrist; pharmacist; dentist, orthodontist, or periodontist. This exclusion does not apply to the administrative activities of medical doctors, dentists or psychiatrists employed by a MEMBER, unless such administrative activities result in a medical malpractice claim.
- D.** Any obligation for which a COVERED PARTY may be held liable under any workers' compensation, occupational disease, unemployment compensation, disability benefits law, employers liability or under any similar law or for BODILY INJURY to any employee or any liability for indemnity or contribution brought by any party for BODILY INJURY to any employee.
- E.** Any CLAIM seeking relief or redress, in any form other than DAMAGES, and for fees or expenses relating to CLAIMS, demands or actions seeking relief in any form other than DAMAGES. This exclusion includes but is not limited to all costs incurred to comply with injunctive relief ordered under the Americans with Disabilities Act but shall not apply to CLAIMS for DAMAGES under the Americans with Disabilities Act.
- F.** BODILY INJURY, PERSONAL INJURY, PROPERTY DAMAGE or any type of damage whatsoever to the PROPERTY of the MEMBER due to war, either directly or indirectly occasioned by, happening through or in consequence of war, invasion, acts of foreign enemies, any weapon of war employing atomic fission or radioactive force whether in time of peace or war, hostilities (whether war was declared or not), civil war, rebellion, revolution, insurrection, military or usurped power, confiscation or nationalization or requisition or destruction of or damage to PROPERTY by or under the order of any government or public or local authority.
- G.** Any act of terrorism meaning any act or threatened act that is violent, forceful or in any way dangerous to persons or property (tangible or intangible), of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organization(s)

or government(s), committed for political, religious, ideological or similar purposes which may include the intention to influence any government and/or to put the public, or any section of the public, in fear. This exclusion also excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing, or in any way relating to any act of terrorism. This exclusion does not apply to the extent losses from an act of terrorism are covered under Part V, Property Coverage Section.

- H. BODILY INJURY, PERSONAL INJURY, PROPERTY DAMAGE or any type of damage whatsoever, including the loss of use or any other type of loss or damage caused by the release, discharge or dispersal of POLLUTANTS anywhere, anytime in any way, whether accidental or intentional, sudden, intermittent or continuous and regardless of ownership or location, EXCEPT this exclusion does not apply as provided in the Liability Section for BODILY INJURY or PROPERTY DAMAGE arising out of heat, smoke or fumes from a hostile fire, EXCEPT this exclusion does not apply to the official activities of the MEMBER's hazardous materials work unit.
- I. BODILY INJURY, PERSONAL INJURY, PROPERTY DAMAGE or any other type of damage whatsoever, directly or indirectly caused by the presence of asbestos or lead in any form, except as covered in the Property Section.
- J. Loss or damage caused by or resulting from moth, vermin, termites or other insects, inherent vice, latent defect, wear, tear or gradual deterioration, CONTAMINATION, rust, wet or dry rot, mold, dampness or atmosphere, smog, extremes of temperature or loss or damage by settling for any reason, including movement of any kind, shrinkage or expansion in building or foundation.
- K. Any CLAIMS arising from the actual, alleged or threatened discharge, dispersal, seepage, migration, release, escape, back up or overflow of any water or sewage from any sewer, drain or sump (whether open or closed).
- L. Loss of or damage to or CLAIMS resulting from the ownership, maintenance, operation, activities or use or entrustment to others of any:
 - 1. Satellite;
 - 2. Aircraft of any size;
 - 3. Airport, airfield, landing area, runway, hangar, heliport, helipad or building or other property used in connection with aviation activities;
 - 4. Watercraft over 26 feet in length; or
 - 5. Watercraft used to carry persons or property for a charge.

This exclusion applies even if the CLAIMS against any COVERED PARTY allege negligence

or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that COVERED PARTY. For purposes of this exclusion, "aircraft" includes but is not limited to any aerial vehicle that is not controlled by a person from within or on the aerial vehicle.

- M. Loss of or damage to jewelry, precious stones and furs or garments trimmed with fur.
- N. BODILY INJURY, PERSONAL INJURY, PROPERTY DAMAGE or any type of damage whatsoever for any CLAIMS made or lawsuits brought against any COVERED PARTY alleging physical or sexual assault, abuse, molestation or habitual neglect or SEXUAL ABUSE. This exclusion applies whether the act was committed intentionally, negligently, inadvertently or with the belief, erroneous or otherwise, that the other party is consenting and has the legal and mental capacity to consent. Claims of SEXUAL HARASSMENT are covered under this ADDENDUM unless the CLAIM also arises out of SEXUAL ABUSE.
 - 1. However, the COVERED PARTY may be entitled to a defense for civil CLAIMS brought against the COVERED PARTY as provided under the terms of this ADDENDUM if the CLAIM is brought for alleged civil rights violations in addition to physical assault, abuse, molestation or habitual neglect or SEXUAL ABUSE. The POOL may provide for the defense of the CLAIM unless or until a judgment or final adjudication of liability is established or there is an admission or plea of guilty, nolo contendere, no contest or any similar plea by the COVERED PARTY accused of the act that establishes the injury claimed in the SUIT in whole or in part.
 - 2. The POOL shall not be required to appeal a judgment or final adjudication that is adverse to the COVERED PARTY. However, if the COVERED PARTY elects to appeal the judgment or final adjudication and the judgment or adjudication is reversed on the issue of liability, the POOL may then reimburse the COVERED PARTY for all reasonable expenses incurred in the appeals process, subject to the terms, conditions and limits of this ADDENDUM.
 - 3. This exclusion applies even if the CLAIMS against any COVERED PARTY allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that COVERED PARTY.
- O. Any CLAIM or CLAIMS for BODILY INJURY or PERSONAL INJURY relating to:
 - 1. Human Immune Deficiency Virus (HIV);
 - 2. Acquired Immune Deficiency Syndrome Related Complex (ARC);
 - 3. Acquired Immune Deficiency Syndrome (AIDS);
 - 4. Any virus, complex or syndrome that is related to the foregoing;

Except this exclusion does not apply to any actual or alleged discrimination based on the actual or alleged contraction of any of the foregoing as covered under Part VII B. Errors and Omissions.

- P.** Any CLAIM based upon the COVERED PARTY'S failure to comply with the Federal Employee Retirement Income Security Act of 1974 (ERISA), including subsequent amendments or any similar federal, state or local law or regulations.
- Q.** BODILY INJURY, PERSONAL INJURY, PROPERTY DAMAGE or any type of damage whatsoever resulting from nuclear incidents, including:
- 1.** Loss or damage to PROPERTY of the COVERED PARTY or liability from PROPERTY DAMAGE, BODILY INJURY or PERSONAL INJURY accruing to the MEMBER directly or indirectly from any and all forms of radioactive CONTAMINATION;
 - 2.** Any loss or damage to PROPERTY of the COVERED PARTY or liability from PROPERTY DAMAGE, BODILY INJURY or PERSONAL INJURY accruing to the COVERED PARTY directly or indirectly from any pool of insurers or reinsurers formed for the purpose of covering atomic or nuclear energy risks;
 - 3.** Any loss or liability accruing to the COVERED PARTY, directly or indirectly, for physical damage of PROPERTY of the COVERED PARTY including Business Interruption or consequential loss arising out of such physical damage, in addition to PROPERTY DAMAGE, BODILY INJURY or PERSONAL INJURY due to nuclear reactor power plants, any nuclear material or the dispersal, discharge, storage or processing of nuclear material, nuclear facilities, installations, laboratories or special nuclear material, as defined by the Atomic Energy Act of 1954 as amended;
 - 4.** Any loss or damage or liability resulting from the HAZARDOUS PROPERTIES of nuclear material and with respect to which any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954 as amended, or if the COVERED PARTY is or, had this ADDENDUM not been issued, would be entitled to indemnity from the United States of America or any agency thereof.
 - 5.** Definitions used in this exclusion:
 - a.** HAZARDOUS PROPERTIES means radioactive, toxic or explosive properties.
 - b.** NUCLEAR MATERIALS means source material, special nuclear material, byproduct material and have the meanings given them in the Atomic Energy Act of 1954, as amended.
 - c.** "SPENT NUCLEAR FUEL" means any fuel element or fuel component, solid or liquid, which has been used, or to radiation in a nuclear reactor.
 - d.** WASTE means any waste material which contains byproduct material from any ore processed primarily for its source material content and which results from the operation by any person or organization of any NUCLEAR FACILITY.
 - e.** NUCLEAR FACILITY means any nuclear reactor, any equipment or device designed or

used for separating the isotopes of uranium or plutonium or processing or utilizing spent fuel, or handling, processing or packaging waste. NUCLEAR FACILITY also means any equipment or device used for the processing, fabricating or alloying of special nuclear material and any structure, basin, excavation, premises or place prepared or used for the storage of WASTE and the site and all operations on that site.

- R.** Any liability, CLAIMS or SUITS arising in whole or in part out of the operation of the principles of eminent domain, condemnation proceedings or CLAIMS, inverse condemnation proceedings or CLAIMS, regulatory taking by whatever name called, land use actions, zoning, rezoning or failure to zone, whether that liability accrues directly against the MEMBER or by virtue of any agreement entered into, by or on behalf of the MEMBER. CLAIMS or SUITS alleging civil rights violations arising out of any of these listed proceedings are also excluded.
- S.** This ADDENDUM does not provide coverage for:
- 1.** Any PERSONAL INJURY or LAW ENFORCEMENT PERSONAL INJURY caused by or at the direction of the COVERED PARTY with the knowledge that the action would violate the rights of another and would inflict PERSONAL INJURY or LAW ENFORCEMENT PERSONAL INJURY;
 - 2.** Any PERSONAL INJURY or LAW ENFORCEMENT PERSONAL INJURY arising out of oral or written publication of material whose first publication took place before the Retroactive Date shown on the General Liability, Law Enforcement Liability and AUTO Liability Retroactive Dates Endorsement; or
 - 3.** Any PERSONAL INJURY or LAW ENFORCEMENT PERSONAL INJURY arising out of oral or written publication of material, if done by or at the direction of the COVERED PARTY with knowledge of its falsity.
- T.** Any BODILY INJURY or PROPERTY DAMAGE for which the COVERED PARTY is obligated to pay DAMAGES by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for DAMAGES:
- 1.** That the COVERED PARTY would have in the absence of the contract or agreement; or
 - 2.** Assumed in a contract or agreement that is a COVERED CONTRACT, provided the BODILY INJURY or PROPERTY DAMAGE occurs subsequent to the execution of the contract or agreement. Solely for the purposes of liability assumed in a COVERED CONTRACT, reasonable attorney fees and necessary litigation expenses incurred by or for a party other than a COVERED PARTY are deemed to be DAMAGES because of BODILY INJURY or PROPERTY DAMAGE, provided:
 - a.** Liability to such party for, or for the cost of, that party's defense has also been assumed in the same COVERED CONTRACT; and

- b.** Such attorney fees and litigation expenses are for defense of that party against a civil or alternative dispute resolution proceeding in which DAMAGES to which this coverage applies are alleged.

PART IV GENERAL DEFINITIONS

“ACCIDENT” is descriptive of means which produce effects which are not their natural and probable consequences.

This “ADDENDUM” or this “COVERAGE ADDENDUM” means the COVERAGE ADDENDUM to the AMENDED BYLAWS created to describe the PROPERTY and liability coverages provided to the MEMBERS of the POOL.

“AUTOMOBILE” or "AUTO" means:

1. Any motor vehicle intended or designed for highway use; and
2. Trailers or semi-trailers, including their equipment and any other equipment permanently attached to it while such trailer is attached to a vehicle described in a) above; but
3. AUTOMOBILE does not include MOBILE EQUIPMENT. However, self-propelled vehicles with the following types of permanently attached equipment are considered AUTOMOBILES: equipment designed primarily for snow removal; equipment designed for road maintenance but not construction or resurfacing; equipment designed for street cleaning; cherry pickers and similar devices mounted on an AUTOMOBILE or truck chassis and used to raise or lower workers; and air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.

“BODILY INJURY” means physical injury (including death) to any person, and any mental anguish or shock, sickness, disease, disability or death associated with or arising from that physical injury.

“CLAIM” means:

1. A demand for DAMAGES (including filing a SUIT seeking DAMAGES) as the result of an OCCURRENCE; or
2. Notice to a COVERED PARTY of the intent to hold the COVERED PARTY liable for a WRONGFUL ACT.

“CONTAMINATION” means any unclean, unsafe, damaging, injurious or unhealthy condition arising out of the presence of POLLUTANTS, whether permanent or transient in any ENVIRONMENT.

“COVERED CONTRACT” means that part of any contract or agreement that is usual and customary to the MEMBER’s operations under which the MEMBER assumes the tort liability of another party to pay DAMAGES because of BODILY INJURY or PROPERTY DAMAGE.

“Tort liability” means liability that would be imposed by law in the absence of any contract or agreement.

“COVERED PARTY” means a MEMBER. “COVERED PARTY” also includes any past, present or future officials; members of boards or commissions, trustees or directors; officers, volunteers authorized to act on behalf of the county or employees of the MEMBER while acting within the scope of their duties as such and only to the extent to which the MEMBER is obligated to provide defense to such person in compliance with Utah Code Annotated 63G-7-902.

“DAMAGES” means all sums recoverable by law from any liability covered under this ADDENDUM excluding:

1. Punitive damages;
2. Any sums awarded for plaintiff’s attorney fees under 42 U.S. Code, Section 1988 in any case in which monetary damages are not specifically sought or not awarded;
3. Fines, penalties or sanctions;
4. The return, refund or repayment of any taxes, fees or other charges by a MEMBER; and
5. Back pay, overtime pay or other benefits that are routinely paid by a MEMBER to its employees.

“EARTHQUAKE” means seismic geologic activity which causes movement in the earth’s surface including loss or damage from any other cause or event that contributes concurrently or in any sequence to the loss. If more than one EARTHQUAKE shock occurs within any period of 72 hours during the term of this insurance, it is deemed to be a single EARTHQUAKE OCCURRENCE.

“EMPLOYEE BENEFIT PROGRAMS” means group life insurance, group accident or health insurance, pension plans, profit sharing plans, employee savings and investment plans, employee stock subscription plans, travel or vacation plans, workers’ compensation, unemployment insurance, social security, disability benefits insurance, employee welfare benefit plans and welfare plans, and any other similar employee benefit programs.

“EMPLOYMENT RELATED PRACTICES” means:

1. Refusal to employ;
2. Termination of employment;
3. Practices, policies, acts or omissions such as coercion, demotion, failure to promote, evaluation, reassignment, discipline, harassment (other than SEXUAL HARASSMENT), civil rights and discrimination;
4. Any act relating to the selection, supervision or dismissal of any employee.

“ENVIRONMENT” includes any person, any real or personal PROPERTY, animals, crops and vegetation, land including land under which a building is placed, bodies of water, underground water or water table supplies, air and any other feature of the earth or its atmosphere, whether or not altered, developed or cultivated, including but not limited to any of the above that is owned, controlled or occupied by a MEMBER.

“FLOOD AND SURFACE WATER” means waves, tide or tidal water and the rising (including the overflowing or breaking of boundaries) of lakes, ponds, reservoirs, rivers, streams, harbors and similar bodies of water.

“LAW ENFORCEMENT ACTIVITIES” means the activities of any COVERED PARTY while acting as a law enforcement official, officer, auxiliary officer, employee or volunteer of the MEMBER provided that the volunteer has been authorized according to the Utah Volunteer Governmental Workers Act, as amended, to act on behalf of the MEMBER. LAW ENFORCEMENT ACTIVITIES also includes policymaking, supervisory and executive functions by a COVERED PARTY relating to such activities.

“LAW ENFORCEMENT PERSONAL INJURY” means injury, other than “BODILY INJURY”, arising out of LAW ENFORCEMENT ACTIVITY and one or more of the following offenses:

1. Assault and battery;
2. Discrimination, unless insurance thereof is prohibited by law;
3. False arrest, detention or imprisonment;
4. Malicious prosecution;
5. False or improper service of process;
6. Humiliation or mental distress;
7. Oral or written publication of material that slanders or libels a person or organization;
8. Violation of civil rights protected under 42 U.S.C. 1981 et. seq. or state law;
9. Violation of property rights;
10. The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies by or on behalf of its owner, landlord or lessor.

“MEDICAL PAYMENTS” means reasonable expenses for first aid at the time of an OCCURRENCE, necessary medical, surgical, x-ray and dental services, ambulance, hospital, professional nursing and funeral services.

“MEMBER” or “NAMED MEMBER” means each of the Counties named in the Participating Members Endorsement of this COVERAGE ADDENDUM.

“MOBILE EQUIPMENT” means any of the following types of land vehicles, including any attached machinery or equipment:

1. Bulldozers, farm machinery, forklifts, ATV’s, snowmobiles, and other vehicles designed for use principally off public roads;
2. Vehicles maintained for use solely on or next to PREMISES the MEMBER owns or rents;
3. Vehicles that travel on crawler treads;
4. Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted power cranes, shovels, loaders, diggers or drills or to road construction or resurfacing equipment such as graders, scrapers or rollers;
5. Trailers that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types: air compressors, pumps and generators including spraying, welding, building, cleaning, geophysical exploration, lighting and well servicing equipment or cherry pickers and similar devices used to raise or lower workers while such trailer is not attached to an AUTOMOBILE;
6. Vehicles not described above which are maintained primarily for purposes other than the transportation of persons or cargo.

“MONEY” means currency, coins, bank notes and bullion, and traveler’s checks, register checks and money orders held for sale to the public.

“NURSING HOME” means a residential facility which provides residents with nursing and/or personal care services by whatever name used including but not limited to assisted living facility, intermediate care facility, long term care facility, skilled nursing facility, residential care facility, senior care facility, convalescent home or group home and includes facilities whether they are Medicare/Medicaid certified or not.

“OCCURRENCE” means an ACCIDENT which results in BODILY INJURY or PROPERTY DAMAGE. Continuous or repeated exposure to substantially the same general harmful conditions shall be deemed one OCCURRENCE, and all BODILY INJURY and PROPERTY DAMAGE attributable, directly or indirectly, to a single cause or a series of similar causes shall be deemed one OCCURRENCE, irrespective of the period of time or area over which such losses occur, the number of COVERED PARTIES involved, number of locations involved or number of individuals or entities affected. There may be multiple CLAIMS or claimants involved in one OCCURRENCE, however only one deductible applies per OCCURRENCE. With respect to PERSONAL INJURY and LAW ENFORCEMENT PERSONAL INJURY, “OCCURRENCE” means a WRONGFUL ACT that commences on or after any applicable

Retroactive Date and before the MEMBER'S withdrawal or termination from the POOL. A series of continuous, repeated or related WRONGFUL ACTS by one or more COVERED PARTIES shall be deemed to be one OCCURRENCE regardless of the number of COVERED PARTIES engaged in such WRONGFUL ACTS, the number of individuals or entities affected by such WRONGFUL ACTS, the number of locations where such WRONGFUL ACTS occur or the number of WRONGFUL ACTS occurring or the period of time over which they occur.

"PERSONAL INJURY" means mental anguish, shock, sickness, disease, disability or wrongful eviction arising out of malicious prosecution, humiliation, invasion of rights of privacy, libel, slander or defamation of character; also piracy and any infringement of copyright or of property, erroneous service of civil papers, and assault and battery. PERSONAL INJURY also means false arrest, false imprisonment, detention and violation of civil rights. However, PERSONAL INJURY does not apply to CLAIMS arising out of LAW ENFORCEMENT ACTIVITIES.

"POLLUTANTS" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapors, soot, fumes, acids, sounds, alkalis, chemicals, liquids, solids, gases, thermal POLLUTANTS, WASTE and all other irritants or contaminants. "WASTE" includes materials to be recycled, reconditioned or reclaimed. However, for purposes of MEMBER coverages provided in this ADDENDUM, "POLLUTANTS" does not include herbicides or pesticides.

The "POOL" means the Utah Counties Indemnity Pool.

"PREMISES" means the interior of that portion of a building, which is occupied by the MEMBER for business operations.

"PROPERTY" or "PROPERTY OF THE NAMED MEMBER" means all real and personal PROPERTY, including leasehold improvements or betterments which the MEMBER owns, PROPERTY which the MEMBER holds on consignment or agrees to cover by any contractual agreement normal to its operations, and the MEMBER's own PROPERTY in the course of construction, repair or renovation.

"PROPERTY DAMAGE" means direct damage to or destruction or loss of tangible PROPERTY, including all resulting loss of use of property. This definition applies to Sections II, III, IV, VII and VIII of this ADDENDUM. PROPERTY DAMAGE excludes damage to the property owned by the MEMBER but includes damage to property of others in the care, custody or control of the MEMBER or property purchased by the MEMBER under a contract which provides that the title remain with the sellers until payments are completed, in which case the POOL's liability is limited to the amount of payments outstanding.

"SECURITIES" means all negotiable instruments or contracts representing either MONEY or other property and includes revenue and other stamps in current use, tokens and tickets, but does not include MONEY.

"SEXUAL ABUSE" means any actual, attempted or alleged criminal sexual conduct towards a person by another person, or persons acting in concert, which causes physical and/or mental injury. SEXUAL ABUSE includes sexual molestation, sexual assault, sexual exploitation or sexual injury.

SEXUAL ABUSE does not include SEXUAL HARASSMENT.

“SEXUAL HARASSMENT” means “Unwelcome sexual advances, requests for sexual favors, and other verbal or physical conduct of a sexual nature when (1) submission to such conduct is made either explicitly or implicitly a term or condition of an individual’s employment, (2) submission to or rejection of such conduct by an individual is used as the basis for employment decisions affecting such individual, or (3) such conduct has the purpose or effect of unreasonably interfering with an individual’s work performance or creating an intimidating, hostile, or offensive working environment” (Equal Employment Opportunity Commission Guidelines, Section 1064.11).

“SUIT” means an action in which a complaint, requesting DAMAGES to which this coverage applies, has been filed in court. “SUIT” also includes an alternative dispute resolution proceeding alleging such DAMAGES to which the COVERED PARTY must submit or submits with both our consent, and our agreement to pay for defense.

“UCIP” means the Utah Counties Indemnity Pool.

“WRONGFUL ACT” means any actual or alleged error or misstatement, omission, act of neglect or breach of duty including EMPLOYMENT RELATED PRACTICES, discrimination and violations of civil rights by the COVERED PARTY. A series of continuous, repeated or related WRONGFUL ACTS, by one or more COVERED PARTIES, shall be deemed to be a single WRONGFUL ACT regardless of the number of COVERED PARTIES engaged in such WRONGFUL ACTS, the number of individuals or entities affected by such WRONGFUL ACTS, the number of locations where such WRONGFUL ACTS occur, the number of WRONGFUL ACTS occurring or the period of time over which they occur. For purposes of Employee Benefits Liability, a “WRONGFUL ACT” means any negligent act, error or omission by the MEMBER or any person for whose acts the MEMBER is legally liable committed in the administration of the MEMBER’s EMPLOYEE BENEFIT PROGRAMS. Only one deductible and one self- insured retention shall apply per Wrongful Act.

PART I PROPERTY

SECTION B DECLARATIONS

1. COVERAGE PROVIDED

This PART I PROPERTY, subject to the terms, exclusions, limits and conditions contained herein or amended hereon, covers all risks of direct physical loss of or direct physical damage to the **Member's** PROPERTY as described herein, provided such loss or damage occurs during the Term of Coverage described in TERMS APPLICABLE TO ALL COVERAGE PARTS A.1. The coverage under this PART 1 PROPERTY applies to Property described on the Schedule of Values or covered under the terms and conditions of the AUTOMATIC COVERAGE (NEWLY ACQUIRED), ERRORS AND OMISSIONS, or MISCELLANEOUS UNNAMED PROPERTY provisions, unless otherwise provided.

2. LIMIT OF COVERAGE

The **Pool's** maximum Limit of Coverage in a single **Occurrence** regardless of the number of **Members**, COVERED PROPERTIES, or coverages involved will not exceed:

\$750,000,000

The terms and conditions of this PART 1 PROPERTY, including the sublimits below, constitute the **Pool's** Limit of Coverage as a whole for all **Members**. The sublimits stated below are a part of, and do not increase, any Limit of Coverage of this PART 1 PROPERTY.

The following sublimits apply on a per **Occurrence** basis, unless otherwise stated.

When a sublimit is shown as applying as an annual aggregate, the **Pool's** maximum Limit of Coverage will not exceed such limit during any fiscal year of the **Pool** regardless of the number of **Members**, COVERED PROPERTIES and coverages involved.

The following sublimits apply to all losses regardless of the number of **Members**, COVERED PROPERTIES and coverages involved. Any sublimit for EARTHQUAKE and FLOOD is the maximum Limit of Coverage for all loss, damage, expense or TIME ELEMENT loss relating to such an **Occurrence**.

Sublimits:

\$25,000,000 ACCOUNTS RECEIVABLE

\$2,500,000 ANIMALS USED FOR RESEARCH

\$5,000,000 CLAIM PREPARATION FEES AND EXPENSES

Utah Counties Indemnity Pool
Bylaws Coverage Addendum
PART 1 PROPERTY
UCIP-20.07.01

| | |
|---------------|---|
| \$2,500,000 | CONTINGENT GROSS EARNINGS/CONTINGENT EXTRA EXPENSE |
| \$1,000,000 | CONTINGENT TAX REVENUE INTERRUPTION |
| \$25,000,000 | DEBRIS REMOVAL (lesser of 25% of property damage loss or the sublimit shown) |
| \$5,000,000 | DECONTAMINATION COSTS |
| \$1,000,000 | DEFERRED PAYMENTS |
| \$100,000,000 | EARTHQUAKE—Per Occurrence and Annual Aggregate |
| \$25,000,000 | ELECTRONIC DATA AND MEDIA |
| \$1,000,000 | Energy Efficiency Upgrade |
| \$100,000,000 | EQUIPMENT BREAKDOWN, including: |
| | Spoilage \$5,000,000 |
| | Service Interruption \$25,000,000 |
| | Gross Earnings and Extra Expense \$10,000,000 |
| | Expediting Expense \$5,000,000 |
| | Hazardous Substance \$1,000,000 |
| | Ammonia Contamination \$1,000,000 |
| | ELECTRONIC DATA and MEDIA \$10,000,000 |
| | CFC Refrigerants \$1,000,000 |
| | Computer Equipment \$50,000,000 |
| \$25,000,000 | ERRORS AND OMISSIONS |
| \$2,500,000 | EVACUATION EXPENSE |
| \$10,000,000 | EXPEDITING EXPENSE |
| \$10,000,000 | EXTENDED PERIOD OF INDEMNITY |

Utah Counties Indemnity Pool
Bylaws Coverage Addendum
PART 1 PROPERTY
UCIP-20.07.01

| | |
|---------------|--|
| \$20,000,000 | FLOOD—Per Occurrence and Annual Aggregate as respects all COVERED PROPERTIES situated wholly or partially within Special Flood Hazard Area (SFHA) |
| \$100,000,000 | FLOOD—Per Occurrence and Annual Aggregate as respects all COVERED PROPERTIES not situated wholly or partially within Special Flood Hazard Area (SFHA) |
| \$25,000,000 | INCREASED COST OF CONSTRUCTION |
| \$25,000,000 | INGRESS/EGRESS |
| \$2,500,000 | INSECT, ANIMAL AND VERMIN DAMAGE to Mobile Equipment and Vehicles |
| \$25,000,000 | INTERRUPTION BY CIVIL AUTHORITY |
| \$2,500,000 | LAND AND WATER CONTAMINANT OR POLLUTANT CLEANUP, REMOVAL AND DISPOSAL—subject to a \$5,000,000 Annual Aggregate. |
| \$2,500,000 | LANDSCAPING, subject to \$15,000 any one shrub or tree caused by or resulting from a DEFINED PERIL |
| \$25,000,000 | LEASEHOLD INTEREST |
| \$25,000,000 | MISCELLANEOUS UNNAMED COVERED PROPERTIES |
| \$1,000,000 | PERSONAL PROPERTY of Officers and Employees of the Member |
| \$25,000,000 | PROPERTY IN THE COURSE OF CONSTRUCTION and SOFT COSTS—any one COVERED PROPERTY |
| \$25,000,000 | SERVICE INTERRUPTION—PROPERTY DAMAGE and TIME ELEMENT Combined |
| \$2,500,000 | TRANSIT—PROPERTY DAMAGE and TIME ELEMENT combined—per conveyance |
| \$10,000,000 | UNSCHEDULED FINE ARTS—Subject to a maximum of \$250,000 per item |
| \$2,500,000 | UNSCHEDULED TUNNELS, BRIDGES, AIRPORT RUNWAYS AND DAMS (defined perils only excluding coverage for the perils of EARTH MOVEMENT and FLOOD, unless specifically scheduled). |
| \$1,000,000 | UNSCHEDULED UNMANNED AIRCRAFT SYSTEMS including attached equipment - \$100,000 per system |

| | |
|--------------|---|
| \$2,500,000 | UNSCHEDULED WATERCRAFT |
| \$2,500,000 | UNSCHEDULED WHARVES, PIERS, DOCKS, PILINGS AND BULKHEADS—subject to \$500,000 and one Wharf, Pier, Dock, Piling or Bulkhead |
| \$25,000,000 | VALUABLE PAPERS AND RECORDS |

Time Limits

In addition to the time limits shown elsewhere in this PART 1 PROPERTY, the following apply:

30 Day Period Interruption by Civil Authority

30 Day Period Ingress/Egress

180 Day Period Extended Period of Coverage

3. CONTRIBUTION

The coverage under this PART 1 PROPERTY is provided in consideration of the annual contribution as approved by the **Pool** Board of Directors.

4. VALUE REPORTING PROVISIONS

The **Member** has provided the **Pool**, 100% **Replacement Cost** values by COVERED PROPERTY. A **Member** shall be considered in compliance with this VALUE REPORTING PROVISION regarding the value of buildings if the MEMBER agrees to schedule the value of buildings at a value documented by a certified appraiser engaged by the **Pool** to determine building values with annual adjustments made to the value by the **Pool**. Compliance with the VALUE REPORTING PROVISION through use of the **Pool** appraised values and annual adjustments will suspend the co-insurance penalty outlined in Part 1.D.3.(l)(ix).

5. WAITING PERIOD

For purposes of applying Service Interruption, Civil Authority and Ingress/Egress coverage, the WAITING PERIOD is twenty-four (24) hours.

6. DEDUCTIBLES

In each case of loss covered by this PART 1 PROPERTY, the **Pool** will be liable only if the **Member** sustains a loss in a single **Occurrence** greater than the underlying limit or the applicable deductible specified below, and only for its share of that greater amount.

a. All Perils Other Than FLOOD:

- (i)* COVERED PROPERTY, other than **Mobile Equipment** and **Vehicles**, Davis County \$100,000 and all other Members \$500.
- (ii)* Mobile Equipment \$500.
- (iii)* Vehicles \$1,000.

b. FLOOD

Property consisting of **Vehicles** and **Mobile Equipment** shall not be subject to the **Special Flood Hazard Area** deductible detailed below.

As respects COVERED PROPERTY wholly or partially situated in a **Special Flood Hazard Area**, the following deductibles shall apply separately for loss from the peril of **Flood**, as covered and defined under the National Flood Insurance Program:

- (i)* For all coverages covered under this PART 1 PROPERTY, if the **Member** purchases coverage from the National Flood Insurance Program, the deductible shall be the greater of the amount recoverable from the National Flood Insurance Program or the **Actual Cash Value**, not to exceed \$500,000. This deductible shall apply for each building or each structure for real property, and for contents at each building or each structure.
- (ii)* For all coverages covered under this PART 1 PROPERTY, if the **Member** does not purchase coverage from the National Flood Insurance Program, or the property is not eligible for coverage from the National Flood Insurance Program, or in the event the National Flood Insurance Program lapses or is discontinued, the deductible shall be \$500,000 at each building or each structure for real property, \$500,000 for contents at each building or each structure, and \$500,000 each for any other COVERED PROPERTY.
- (iii)* If the community is participating in the Emergency Program under the National Flood Insurance Program, \$500,000 as noted within paragraph *(i)* above is replaced with \$100,000. If the COVERED PROPERTY is eligible for coverage in the Emergency Program, \$500,000 as noted within paragraph *(ii)* above is replaced with \$100,000.

However, these deductibles shall not apply to COVERED PROPERTY located outside of an area designated as a **Special Flood Hazard Area** nor to ensuing physical loss, or damage or destruction not otherwise excluded herein. Further, the deductibles described under paragraphs *(i)*, *(ii)*, and *(iii)* above shall apply individually and supersede the "two or more deductible provision" under the Application of Multiple Deductibles of this PART 1 PROPERTY.

For all other FLOOD losses, the deductible shall be \$1,000.

c. Application of Multiple Deductibles:

In the event of any **Occurrence** resulting in loss or damage covered under this PART 1 PROPERTY for which two or more deductibles apply, the total deductible shall not exceed the single largest deductible applicable to the **Occurrence**.

However, in any **Occurrence** where loss or damage is caused by more than one peril covered under this PART 1 PROPERTY, the COVERED PARTY shall have the right to separate the loss amount by peril for the purposes of application of the deductible(s), notwithstanding the above reference to two or more deductibles.

7. PROPERTY COVERAGE TERRITORY

This PART 1 PROPERTY covers COVERED PROPERTY in The United States of America and Canada.

SECTION C PROPERTY DAMAGE

1. COVERED PROPERTY(IES)

This PART 1 PROPERTY covers the following property, unless otherwise excluded elsewhere in this PART 1 PROPERTY, anywhere within the PROPERTY COVERAGE TERRITORY, to the extent of the interest of the **Member** in such property.

- a.** Real property, including but not limited to buildings, remodeling, installations and construction in which the **Member** has an insurable interest.
- b. PERSONAL PROPERTY:**
 - (i)* Owned by the **Member**, including the **Member's** interest as a tenant in improvements and betterments. In the event of physical loss or damage, the **Pool** agrees to accept and consider the **Member** as sole and unconditional owner of improvements and betterments, notwithstanding any contract or lease to the contrary;
 - (ii)* Of officers and employees of the **Member** other than **Mobile Equipment** and **Vehicles** at or within 100 feet of a real property covered above in 1.a. while such property is being held or used for the benefit of the **Member** with the **Member's** knowledge and consent;
 - (iii)* Of others in the **Member's** custody to the extent the **Member** is under obligation to keep insured for physical loss or damage covered by this PART 1 PROPERTY; or
 - (iv)* Of others in the **Member's** custody to the extent of the **Member's** legal liability for physical loss or damage to personal property. The **Pool** will defend that portion of any **SUIT** against the **Member** that alleges such liability and seeks **DAMAGES** for such

covered physical loss or damage. The **Pool** may, without prejudice, investigate, negotiate and settle any such CLAIM or SUIT as the **Pool** deems expedient.

- (v) **Mobile Equipment, Vehicles, Unmanned Aircraft Systems**, and watercraft owned or leased by the **Member**.
- (vi) **Mobile Equipment** and **Vehicles** owned, leased, borrowed or rented by employees, officers and authorized volunteers or their family members, when such **Vehicles** are being used for the benefit of the **Member** and with the **Member's** knowledge and consent, limited to the amount of any physical damage deductible under the owner's insurance policy, not to exceed five hundred dollars per **Occurrence**.

This PART 1 PROPERTY also covers the interest of contractors and subcontractors in COVERED PROPERTY during construction at a COVERED PROPERTY, to the extent of the **Member's** legal liability to insure physical loss or damage to such property. Such interest of contractors and subcontractors is limited to the property for which they have been hired to perform work and such interest will not extend to any TIME ELEMENT coverage provided under this PART 1 PROPERTY.

2. **PROPERTY EXCLUDED**

This PART 1 PROPERTY excludes:

- a. Currency, money, precious metal in bullion form, notes, or securities.
- b. Land, water or any other substance in or on land; except this exclusion does not apply to loss or damage caused by or resulting from a **Defined Peril** for the following items:
 - (i) Land improvements consisting of landscaping including trees and shrubs, tunnels and bridges, airport runways, dams (including earthen dams), piers, docks, pilings, bulkheads, wharves, piping, and retaining walls, but not including any land beneath such property.
 - (ii) Pavements, sidewalks, parking lots, and culverts at a COVERED PROPERTY but not including roadways, highways, and streets.
 - (iii) Athletic fields including necessary materials, fill, and substrate beneath such fields.
 - (iv) Water that is contained within any enclosed tank, piping system or any other processing equipment.
- c. Animals (except ANIMALS HELD FOR RESEARCH).
- d. Spacecraft, satellites, or aircraft except **Unmanned Aircraft Systems**.

- e. Underground mines, mineshafts or caverns or any property within such mine, shaft or cavern.
- f. Canals, offshore drilling rigs, or reservoirs.
- g. Property sold by the **Member** under conditional sale, trust agreement, installment plan or other DEFERRED PAYMENT plan after delivery to customers except as provided by the DEFERRED PAYMENT Coverage of this PART 1 PROPERTY.
- h. Overhead transmission and distribution lines located more than one mile from a COVERED PROPERTY.
- i. Standing timber, growing crops, sod, grass, or greens and tees at golf courses.
- j. Roadways, highways, and streets designed or used for vehicular travel, including guardrails and road signs.
- k. Equipment used to produce power or gas for distribution to third parties.
- l. Davis County Event Center including all real property and personal property used to maintain or service the building.

3. ADDITIONAL COVERAGES

This PART 1 PROPERTY includes the following ADDITIONAL COVERAGES for physical loss or damage covered by this **Addendum**. These ADDITIONAL COVERAGES are subject to the applicable limit of liability, will not increase the **Pool's** limit of liability, and are subject to the PART 1 PROPERTY provisions, including applicable exclusions and deductibles; all as shown in this Section and elsewhere in this PART 1 PROPERTY.

a. ACCOUNTS RECEIVABLE

This PART 1 PROPERTY covers any shortage in the collection of ACCOUNTS RECEIVABLE, resulting from covered physical loss or damage to ACCOUNTS RECEIVABLE records while anywhere within the PROPERTY COVERAGE TERRITORY, including while in transit. The **Pool** will be liable for the interest charges on any loan to offset impaired collections pending repayment of such sum uncollectible as the result of such loss or damage. Unearned interest and service charges on DEFERRED PAYMENT accounts and **Normal** credit losses on bad debts will be deducted in determining the recovery.

- (i) In the event of loss to ACCOUNTS RECEIVABLE Records, the **Member** will use all reasonable efforts, including legal action, if necessary, to effect collection of outstanding ACCOUNTS RECEIVABLE.

(ii) The **Member** agrees to use any suitable property or service:

(A) Owned or controlled by the **Member**; or

(B) Obtainable from other sources;

in reducing the loss under this ACCOUNTS RECEIVABLE Coverage.

(iii) This PART 1 PROPERTY covers any other necessary and reasonable costs incurred to reduce the loss; to the extent the losses are reduced.

(iv) If it is possible to reconstruct ACCOUNTS RECEIVABLE records so that no shortage is sustained, the **Pool** will be liable only for the reasonable and necessary cost incurred for material and time required to re-establish or reconstruct such records, and not for any costs covered by any other insurance or coverage.

(v) ACCOUNTS RECEIVABLE Exclusions: The following exclusions are in addition to the Exclusions clause of this Section and the General Exclusions of this **Addendum**:

(A) Bookkeeping, accounting or billing ERRORS OR OMISSIONS; or

(B) Alteration, falsification, manipulation; or

(C) Concealment, destruction or disposal;

of ACCOUNTS RECEIVABLE records under (B) and (C) committed to conceal the wrongful giving, taking, obtaining or withholding of money, securities or other property; but only to the extent of such wrongful giving, taking, obtaining or withholding.

(vi) The settlement of loss will be made within 90 days from the date of physical loss or damage. All amounts recovered by the **Member** on outstanding ACCOUNTS RECEIVABLE on the date of loss will belong and be paid to the **Pool** up to the amount of loss paid by the **Pool**. All recoveries exceeding the amount paid will belong to the **Member**.

b. ANIMALS USED FOR RESEARCH

This **Addendum** covers covered physical loss or damage to ANIMALS USED FOR RESEARCH.

As respects ANIMALS USED FOR RESEARCH, the following additional exclusions apply: This **Addendum** excludes the following unless directly resulting from other physical damage not excluded by this **Addendum**:

- (i) Death, destruction, or injury from natural causes.
- (ii) Escape.
- (iii) Sickness, disease, infection, infestation or illness.
- (iv) Error or Omission in processing and/or failure on the part of the **Member** to provide nourishment, medicine or sanitary conditions.
- (v) Contamination of animals, food or medicine.

c. AUTOMATIC COVERAGE

This PART 1 PROPERTY covers COVERED PROPERTY rented, leased, purchased, or newly constructed by the **Member** after the inception date of this PART 1 PROPERTY and within the PROPERTY COVERAGE TERRITORY.

This AUTOMATIC COVERAGE does not apply to:

- (i) PROPERTY IN THE COURSE OF CONSTRUCTION;
- (ii) Property covered under ERRORS AND OMISSIONS; or
- (iii) Property insured in whole or in part by any insurance policy.

This coverage will apply until the date the COVERED PROPERTY is reported to the **Pool** or 120 days from the date of acquisition or completion of construction, whichever comes first.-

d. BRANDS AND LABELS

If branded or labeled property covered by this **Addendum** is physically damaged and the **Pool** elects to take all or any part of that property, the **Member** may at the **Pool's** expense:

- (i) Stamp "salvage" on the PROPERTY or its containers; or
- (ii) Remove or obliterate the brands or labels; if doing so will not damage the property.

In either event, the **Member** must re-label such property or its containers to be in compliance with any applicable law.

e. CLAIM PREPARATION FEES AND EXPENSES

This PART 1 PROPERTY covers the actual costs incurred by the **Member**, of reasonable fees payable to the **Member's** accountants, architects, auditors, engineers, or other professionals and

the cost of using the **Member's** employees, for producing and certifying any particulars or details contained in the **Member's** books or documents, or such other proofs, information or evidence required by the **Pool** resulting from a covered loss payable under this PART 1 PROPERTY for which the **Pool** has accepted liability.

Coverage will not include the fees and costs of attorneys, public adjusters, and loss appraisers, all including any of their subsidiary, related or associated entities either partially or wholly owned by them or retained by them for the purpose of assisting them.

f. CONSEQUENTIAL REDUCTION IN VALUE

This **Addendum** covers the reduction in value of covered merchandise that is a part of pairs, sets or components, directly resulting from physical loss or damage covered by this **Addendum** to other covered parts of pairs, sets or components of such merchandise. If settlement is based on a constructive total loss, the **Member** will surrender the undamaged parts of such merchandise to the **Pool**.

g. DEBRIS REMOVAL

This **Addendum** covers the reasonable and necessary costs incurred to remove debris from a COVERED PROPERTY that remains as a direct result of physical loss or damage covered by this **Addendum**.

This DEBRIS REMOVAL Coverage does not cover the costs of removal of:

- (i) Contaminated uncovered property; or
- (ii) The contaminant in or on uncovered property; whether or not the CONTAMINATION results from covered physical loss or damage. CONTAMINATION includes, but is not limited to, the presence of **Pollutants** or hazardous material.

h. DECONTAMINATION COSTS

If COVERED PROPERTY is contaminated as a direct result of physical damage covered by this **Addendum** and there is in force at the time of the loss any law or ordinance regulating CONTAMINATION, including but not limited to the presence of POLLUTANTS or hazardous material, then this **Addendum** covers, as a direct result of enforcement of such law or ordinance, the increased cost of decontamination and/or removal of such contaminated COVERED PROPERTY in a manner to satisfy such law or ordinance. This Additional Coverage applies only to that part of COVERED PROPERTY so contaminated as a direct result of covered physical damage.

The **Pool** is not liable for the costs required for removing contaminated uncovered property nor the contaminant therein or thereon, whether or not the CONTAMINATION results from a covered event.

i. DEFERRED PAYMENTS

This **Addendum** covers covered physical loss or damage to personal property of the type covered, sold by the **Member** under a conditional sale or trust agreement or any installment or DEFERRED PAYMENT plan and after such property has been delivered to the buyer. Coverage is limited to the unpaid balance for such property.

In the event of loss to property sold under DEFERRED PAYMENT plans, the **Member** will use all reasonable efforts, including legal action, if necessary, to effect collection of outstanding amounts due or to regain possession of the property.

There is no liability under this **Addendum** for loss:

- (i) Pertaining to products recalled including, but not limited to, the costs to recall, test or to advertise such recall by the **Member**.
- (ii) From theft or conversion by the buyer of the property after the buyer has taken possession of such property.
- (iii) To the extent the buyer continues payments.
- (iv) Not within the PROPERTY COVERAGE TERRITORY.

j. EARTH MOVEMENT

This PART 1 PROPERTY covers physical loss or damage caused by or resulting from **Earth Movement**.

k. ELECTRONIC DATA AND MEDIA

This PART 1 PROPERTY covers physical loss or damage to **Electronic Data and Media** while anywhere within the PROPERTY COVERAGE TERRITORY, including while in transit.

- (i) This ELECTRONIC DATA AND MEDIA Coverage excludes loss or damage to:
 - (A) Property described below, if such property cannot be replaced with other of like kind and quality, unless specifically declared to the **Pool**;
 - (B) Currency, money or securities;
 - (C) Property held as samples or for sale or for delivery after sale, and
- (ii) Coverage under this ELECTRONIC DATA AND MEDIA, excludes:

- (A) ERRORS OR OMISSIONS in processing, programming or copying unless physical damage not excluded by this PART 1 PROPERTY results, in which event, this coverage will cover only such resulting damage.
- (B) Deterioration, inherent vice, vermin or wear and tear; all unless physical damage not excluded by this coverage results, in which event, this coverage will cover only such resulting damage.

l. ERRORS AND OMISSIONS

If physical loss or damage is not payable under this **Addendum** solely due to an error or unintentional omission:

- (i) In the description of where COVERED PROPERTY is physically located;
- (ii) To include any COVERED PROPERTY:
 - (A) Owned, rented or leased by the **Member** on the effective date of this **Addendum**; or
 - (B) Purchased, rented or leased by the **Member** during the term of this **Addendum**; or
- (iii) That results in cancellation of the property covered under this **Addendum**;

This **Addendum** covers such physical loss or damage, to the extent it would have provided coverage had such error or unintentional omission not been made.

This ERRORS AND OMISSIONS Coverage does not apply to PROPERTY IN THE COURSE OF CONSTRUCTION or property covered under AUTOMATIC COVERAGE.

It is a condition of this ERRORS AND OMISSIONS Coverage that any error or unintentional omission be reported by the **Member** to the **Pool** when discovered and corrected.

m. EXPEDITING COSTS

This PART 1 PROPERTY covers the reasonable and necessary costs incurred to pay for the temporary repair of covered damage to COVERED PROPERTY and to expedite the permanent repair or replacement of such damaged property.

This EXPEDITING COSTS Coverage does not cover costs:

- (i) Recoverable elsewhere in this PART 1 PROPERTY; or
- (ii) Of permanent repair or replacement of damaged property.

n. FINE ARTS

This PART 1 PROPERTY covers physical loss or damage to **Fine Arts** articles while anywhere within the PROPERTY COVERAGE TERRITORY, including while in transit.

- (i) This FINE ARTS Coverage excludes loss or damage if the FINE ARTS cannot be replaced with other of like kind and quality, unless it is specifically declared to the **Pool**.
- (ii) The exclusions in the Exclusions clause of this Section do not apply to FINE ARTS coverage except for: 4.a.(i); 4.a.(ii); 4.b.(i); 4.b.(ii); 4.b.(iii)(A); and 4.b.(iv).
- (iii) This PART 1 PROPERTY does not cover:
 - (A) Deterioration, wear and tear or inherent vice;
 - (B) Loss or damage from any repairing, restoration or retouching process.
- (iv) **Fine Arts** objects, pairs or sets over \$10,000 in value or any collection of **Fine Arts** over \$250,000 at any one COVERED PROPERTY must be scheduled and are sublimited to the reported value, but do not increase the Aggregate per **Occurrence** sublimit shown in the Limits of Coverage.

o. FIRE BRIGADE CHARGES AND EXTINGUISHING EXPENSES

This PART 1 PROPERTY covers the following expenses resulting from a covered loss:

- (i) Fire brigade charges and any extinguishing expenses that the **Member** incurs;
- (ii) Loss and disposal of the fire extinguishing materials expended.

p. FLOOD

This PART 1 PROPERTY covers physical loss or damage caused by or resulting from FLOOD.

q. INCREASED COST OF CONSTRUCTION

- (i) This **Addendum** covers the reasonable and necessary costs incurred, described in Item (iii) below, to satisfy the minimum requirements of the enforcement of any law or ordinance regulating the demolition, construction, repair, replacement or use of buildings or structures at a COVERED PROPERTY, provided:
 - (A) Such law or ordinance is in force on the date of covered physical loss or damage; and
 - (B) Its enforcement is a direct result of such covered physical loss or damage; and

- (ii) This INCREASED COST OF CONSTRUCTION Coverage does not cover any loss due to any law or ordinance with which the **Member** should have complied before the loss.
- (iii) This INCREASED COST OF CONSTRUCTION Coverage, as respects the COVERED PROPERTY covered in Item (i) above, covers:
 - (A) The cost to repair or rebuild the physically damaged portion of such COVERED PROPERTY with materials and in a manner to satisfy such law or ordinance; and
 - (B) The cost:
 - (1) To demolish the physically undamaged portion of such COVERED PROPERTY covered; and
 - (2) To rebuild it with materials and in a manner to satisfy such law or ordinance; to the extent that such costs result when the total demolition of the physically damaged COVERED PROPERTY is required to satisfy such law or ordinance.
 - (iv) This INCREASED COST OF CONSTRUCTION Coverage excludes any costs incurred as a direct or indirect result of enforcement of any laws or ordinances regulating any form of CONTAMINATION including but not limited to the presence of POLLUTANTS or hazardous material.
 - (v) The **Pool's** maximum liability for this INCREASED COST OF CONSTRUCTION Coverage at each COVERED PROPERTY in any **Occurrence** will not exceed the actual cost incurred in demolishing the physically undamaged portion of the COVERED PROPERTY covered in Item (i) above plus the lesser of:
 - (A) The reasonable and necessary cost incurred, excluding the cost of land, in rebuilding on another site; or
 - (B) The cost of rebuilding on the same site.
- r. LAND AND WATER CONTAMINANT OR POLLUTANT CLEANUP, REMOVAL AND DISPOSAL

This PART 1 PROPERTY covers the reasonable and necessary cost for the cleanup, removal and disposal of contaminants or POLLUTANTS from property not covered consisting of land, including water or any other substance in land, and water on land, at the COVERED PROPERTY if the release, discharge or dispersal of contaminants or POLLUTANTS is a direct result of covered physical loss or damage to COVERED PROPERTY.

This PART 1 PROPERTY does not cover the cost to cleanup, remove and dispose of contaminants or POLLUTANTS from such property:

- (i) At any COVERED PROPERTY covered for PERSONAL PROPERTY only; or
- (ii) When the **Member** fails to give written notice of loss to the **Pool** within 180 days after inception of the loss.

s. MISCELLANEOUS UNNAMED PROPERTY

This PART 1 PROPERTY covers the **Member's** interest in COVERED PROPERTY within the PROPERTY COVERAGE TERRITORY, which is not specifically on file, identified, or scheduled by the **Pool**. No coverage is provided under this MISCELLANEOUS UNNAMED PROPERTY on property while waterborne.

This MISCELLANEOUS UNNAMED PROPERTY does not cover any property covered or excluded under any other item of this PART 1 PROPERTY.

t. PROPERTY IN THE COURSE OF CONSTRUCTION AND SOFT COSTS

This PART 1 PROPERTY covers projects in the course of construction.

This PROPERTY IN THE COURSE OF CONSTRUCTION AND SOFT COSTS does not apply to any project that the **Member** has agreed to waive subrogation rights against any other party for damage to the project.

This PROPERTY IN THE COURSE OF CONSTRUCTION AND SOFT COSTS also covers the necessary **Soft Costs**.

u. PROTECTION AND PRESERVATION OF PROPERTY

This PART 1 PROPERTY covers:

- (i) Reasonable and necessary costs incurred for actions to temporarily protect or preserve COVERED PROPERTY, provided such actions are necessary due to actual, or to prevent immediately impending, covered physical loss or damage to such COVERED PROPERTY.
- (ii) Reasonable and necessary:
 - (A) Fire department firefighting charges imposed as a result of responding to a fire in, on or exposing the COVERED PROPERTY;
 - (B) Costs incurred of restoring and recharging fire protection systems following a covered loss; and
 - (C) Costs incurred for the water used for fighting a fire in, on or exposing the COVERED PROPERTY.

This PROTECTION AND PRESERVATION OF PROPERTY is subject to the deductible provisions that would have applied had the physical loss or damage occurred.

v. SERVICE INTERRUPTION PROPERTY DAMAGE

- (i) This PART 1 PROPERTY covers physical loss or damage to COVERED PROPERTY when such physical loss or damage results from the interruption of the specified incoming or outgoing services consisting of electricity, telecommunications, gas, fuel, steam, water, refrigeration or from the lack of incoming or outgoing sewerage service by reason of physical loss or damage of the type covered to real and PERSONAL PROPERTY of the type covered to the facilities of the supplier of such service located within the PROPERTY COVERAGE TERRITORY, that immediately prevents in whole or in part the delivery of such usable service.
- (ii) This SERVICE INTERRUPTION PROPERTY DAMAGE will apply when the **Period of Service Interruption** is in excess of the time shown as **Waiting Period** in the WAITING PERIOD clause of the SECTION A DECLARATIONS.
- (iii) Additional General Provisions:
 - (A) The **Member** will immediately notify the suppliers of services of any interruption of such services.
 - (B) The **Pool** will not be liable if the interruption of such services is caused directly or indirectly by the failure of the **Member** to comply with the terms and conditions of any contracts the **Member** has for the supply of such specified services.

w. TERRORISM

This PART 1 PROPERTY covers physical loss or damage caused by or resulting from **Terrorism**.

x. TRANSIT

- (i) This PART 1 PROPERTY covers the following COVERED PROPERTY within the PROPERTY COVERAGE TERRITORY, except as excluded by this PART 1 PROPERTY, while in transit:
 - (A) Owned by the **Member** within the PROPERTY COVERAGE TERRITORY.
 - (B) Shipped to customers under F.O.B., C&F or similar terms. The **Member's** contingent interest in such shipments is admitted.
 - (C) Of others in the actual or constructive custody of the **Member** to the extent of the **Member's** interest or legal liability.

- (D) Of others sold by the **Member** that the **Member** has agreed prior to the loss to cover during course of delivery.
- (ii) This TRANSIT Coverage excludes:
 - (A) Samples in the custody of salespeople or selling agents.
 - (B) Property covered under import or export ocean marine insurance.
 - (C) Waterborne shipments, unless:
 - (1) By inland water; or
 - (2) By coastal shipments.
 - (D) Airborne shipments unless by regularly scheduled passenger airlines or air freight carriers.
 - (E) Property of others, including the **Member's** legal liability for it, hauled on vehicles owned, leased or operated by the **Member** when acting as a common or contract carrier.
 - (F) Any transporting vehicle.
 - (G) Property shipped between continents, except by land or air between Europe and Asia.
- (iii) Coverage Attachment and Duration
 - (A) This TRANSIT Coverage covers from the time the property leaves the original point of shipment for transit until the property arrives at destination.
 - (B) However, coverage on export shipments not covered under ocean cargo policies ends when the property is loaded on board overseas vessels or aircraft. Coverage on import shipments not covered under ocean cargo policies begins after discharge from overseas vessels or aircraft.
- (iv) This TRANSIT Coverage:
 - (A) Covers general average and salvage charges on shipments covered while waterborne.
 - (B) Covers physical loss or damage caused by or resulting from:
 - (1) Unintentional acceptance of fraudulent bills of lading, shipping or messenger receipts;
 - (2) Improper parties having gained possession of property through fraud or deceit.

- (v) The exclusions in the Exclusion clause of this Section do not apply to TRANSIT coverage except for; 4.a.(i) through 4.a.(iv), 4.b.(i) through 4.b.(iv), 4.c.(i), 4.c.(iii), 4.c.(v), 4.c. (vi), 4.d.(i) and 4.d.(ii).
- (vi) Additional General Provisions
- (A) This TRANSIT Coverage will not inure directly or indirectly to the benefit of any carrier or Bailee.
- (B) The **Member** has permission, without prejudicing this coverage, to accept:
 - (1) Ordinary bills of lading used by carrier;
 - (2) Released bills of lading;
 - (3) Undervalued bills of lading; and
 - (4) Shipping or messenger receipts.
- (C) The **Member** may waive subrogation against railroads under sidetrack agreements.

Except as otherwise stated, the **Member** will not enter into any special agreement with carriers releasing them from their common law or statutory liability.

y. VALUABLE PAPERS AND RECORDS

This PART 1 PROPERTY covers physical loss or damage to VALUABLE PAPERS AND RECORDS and EDP MEDIA while anywhere within the PROPERTY COVERAGE TERRITORY, including while in transit.

- (i) This VALUABLE PAPERS AND RECORDS Coverage excludes loss or damage to:
 - (A) Property described below, if such property cannot be replaced with other of like kind and quality, unless specifically declared to the **Pool**;
 - (B) Currency, money or securities; and
 - (C) Property held as samples or for sale or for delivery after sale.
- (ii) The exclusions in the Exclusions clause of this Section do not apply to VALUABLE PAPERS AND RECORDS except for; 4.a.(i) and 4.b.(i) to 4.b.(iv). In addition, as respects VALUABLE PAPERS AND RECORDS the following exclusions apply:
 - (A) ERRORS OR OMISSIONS in processing, programming or copying unless physical

damage not excluded by this PART 1 PROPERTY results, in which event, this coverage will cover only such resulting damage.

- (B) Deterioration, inherent vice, vermin or wear and tear; all unless physical damage not excluded by this coverage results, in which event, this coverage will cover only such resulting damage.

4. EXCLUSIONS

The following exclusions apply unless specifically stated elsewhere in this PART 1 PROPERTY or by amendment hereto.

a. This PART 1 PROPERTY excludes:

- (i) Indirect or remote loss or damage.
- (ii) Interruption of business; except to the extent provided by this PART 1 PROPERTY.
- (iii) Loss of market or loss of use.
- (iv) Loss or damage or deterioration arising from any delay.
- (v) Mysterious disappearance, loss or shortage disclosed on taking inventory for which the loss can be proven solely on the inventory records, or any unexplained loss.
- (vi) Loss from enforcement of any law or ordinance:
- (A) Regulating the construction, repair, replacement, use or removal, including debris removal, of any property; or
- (B) Requiring the demolition of any property, including the cost in removing its debris;

except as provided by the DEBRIS REMOVAL, DECONTAMINATION COSTS and INCREASED COST OF CONSTRUCTION coverages of the PROPERTY DAMAGE Section of this PART 1 PROPERTY.

- (vii) Loss from the accumulated effects of smog, smoke, vapor, liquid and dust.

b. This PART 1 PROPERTY excludes loss or damage directly or indirectly caused by or resulting from any of the following regardless of any other cause or event, whether or not covered under this PART 1 PROPERTY, contributing concurrently or in any other sequence to the loss:

- (i) Nuclear reaction or nuclear radiation or radioactive contamination. However:

- (A) If physical damage by fire or sprinkler leakage results, then only that resulting damage is covered; but not including any loss or damage due to nuclear reaction, radiation or radioactive contamination.
- (B) This PART 1 PROPERTY does cover physical damage directly caused by sudden and accidental radioactive contamination, including resultant radiation damage, from material used or stored or from processes conducted on the COVERED PROPERTY, provided that on the date of loss, there is neither a nuclear reactor nor any new or used nuclear fuel on the COVERED PROPERTY.
- (ii) Hostile or warlike action in time of peace or war, including:
 - (A) Action in hindering, combating or defending against an actual, impending or expected attack by any:
 - (1) Government or sovereign power (de jure or de facto; or
 - (2) Military, naval or air force; or
 - (3) Agent or authority of any party specified in (i) or (ii) above.
 - (B) Discharge, explosion or use of any nuclear device, weapon or material employing or involving nuclear fission, fusion or radioactive force, whether in time of peace or war and regardless of who commits the act.
 - (C) Insurrection, rebellion, revolution, civil war, usurped power, or action taken by governmental authority in hindering, combating or defending against such an event,
 - (D) Seizure or destruction under quarantine or custom regulation, or confiscation by order of any governmental or public authority.
 - (E) Risks of contraband, or illegal transportation or trade.
- (iii) Any dishonest act, including but not limited to theft, committed alone or in collusion with others, at any time:
 - (A) By a **Member** or any proprietor, partner, director, trustee, officer, or employee of a **Member**; or
 - (B) By any proprietor, partner, director, trustee, or officer of any business or entity (other than a common carrier) engaged by a **Member** to do anything in connection with property covered under this PART 1 PROPERTY.

This PART 1 PROPERTY does cover acts of direct covered physical damage intentionally caused by an employee of a **Member** or any individual specified in (B) above and done without

the knowledge of the **Member**. In no event does this PART 1 PROPERTY cover loss by theft by any individual specified in (A) or (B) above.

(iv) Lack of the following services:

(A) incoming or outgoing electricity, fuel, water, gas, steam, refrigerant;

(B) incoming or outgoing sewerage;

(C) incoming or outgoing telecommunications;

all when caused by an **Occurrence** off the COVERED PROPERTY, except as provided in SERVICE INTERRUPTION in the PROPERTY DAMAGE or TIME ELEMENT Section of this PART 1 PROPERTY. But, if the lack of such a service directly causes physical damage covered by this PART 1 PROPERTY on the COVERED PROPERTY, then only that resulting damage is covered.

(v) The unlawful possession, use, release, discharge, dispersal or disposal of any chemical or similar agent or matter regardless of who is responsible for the act and whether war has been declared or not, and regardless of any other cause or event contributing concurrently or in any other sequence thereto.

c. This PART 1 PROPERTY excludes the following, but, if physical damage not excluded by this PART 1 PROPERTY results, then only that resulting damage is covered:

(i) Faulty workmanship, material, construction or design from any cause.

(ii) Loss or damage to stock or material attributable to manufacturing or processing operations while such stock or material is being processed, manufactured, tested, or otherwise worked on.

(iii) Deterioration, depletion, rust, corrosion or erosion, wear and tear, inherent vice or latent defect.

(iv) Settling, cracking, shrinking, bulging, or expansion of foundations (including any pedestal, pad, platform or other property supporting machinery), floors, pavements, walls, ceilings or roofs.

(v) Changes of temperature damage (except to machinery or equipment); or changes in relative humidity damage; all whether atmospheric or not.

(vi) Insect, animal or vermin damage, except damage to **Mobile Equipment** and **Vehicles**.

- d. This PART 1 PROPERTY excludes the following unless directly resulting from other physical damage not excluded by this PART 1 PROPERTY:
 - (i) Contamination including but not limited to the presence of **Pollutants** or hazardous material.
 - (ii) Shrinkage, changes in color, flavor, texture or finish.
 - (iii) Asbestos material defects, treatment, abatements or removal.
- e. This PART 1 PROPERTY excludes the following, but, if physical damage results from a **Defined Peril**, then only that resulting damage is covered..
 - (i) Any functioning or malfunctioning of the internet or similar facility, or of any intranet or private network or similar facility, including but not limited to Computer Virus. Computer Virus shall mean a set of corrupting, harmful or otherwise unauthorized instructions or code including a set of maliciously introduced unauthorized instructions or code, programmatic or otherwise, that propagate themselves through a computer system or network of whatsoever nature. Computer Virus includes but is not limited to “Trojan Horses”, “worms”, and “time or logic bombs”.
 - (ii) Any corruption, destruction, distortion, erasure or other loss or damage to data, software, or any kind of programming or instruction set.
 - (iii) Loss of use or functionality whether partial or entire of data, coding, program, software, any computer or computer system or other device dependent upon any microchip or embedded logic, and any ensuing liability or failure of the **Member** to conduct business.
 - (iv) The failure of any of the following, whether owned by you or others:
 - (A) Data processing equipment, software, data, or media;
 - (B) Hardware or software based computer operating systems;
 - (C) Microprocessors;
 - (D) Integrated circuits; or
 - (E) Any other electronic equipment, computerized equipment, or similar devices;

due to the inability of these items to correctly recognize, process, or accept one or more dates or times as their true calendar date or time.

- (v) Fungus, mold(s), mildew or yeast; or any spores or toxins created or produced by or emanating from such fungus, mold(s), mildew or yeast:
- (A) Fungus includes, but is not limited to, any of the plants or organisms belonging to the major group fungi, lacking chlorophyll, and including mold(s), rusts, mildews, smuts and mushrooms;
- (B) Mold(s) includes, but is not limited to, any superficial growth produced on damp or decaying organic matter or on living organisms, and fungi that produce mold(s);
- (C) Spores means any dormant or reproductive body produced by or arising or emanating out of any fungus, mold(s), mildew, plants, organisms or microorganisms.

SECTION C TIME ELEMENT

1. LOSS COVERED

- a. This PART 1 PROPERTY covers TIME ELEMENT loss, as provided in the TIME ELEMENT coverage, directly resulting from physical loss or damage of the type covered by this PART 1 PROPERTY:
 - (i) To property described elsewhere in this PART 1 PROPERTY and not otherwise excluded by this PART 1 PROPERTY or otherwise limited in the TIME ELEMENT COVERAGES below; and
 - (ii) Used by the **Member**, or for which the **Member** has contracted use; and
 - (iii) Located at a COVERED PROPERTY or in the case of PERSONAL PROPERTY within the PROPERTY COVERAGE TERRITORY; and
 - (iv) While in transit as provided by this PART 1 PROPERTY; and
 - (v) During the Periods of Coverage described in this Section.
- b. This PART 1 PROPERTY covers TIME ELEMENT loss only to the extent it cannot be reduced through:
 - (i) The use of any property or service owned or controlled by the **Member**;
 - (ii) The use of any property or service obtainable from other sources;
 - (iii) Working extra time or overtime; or
 - (iv) The use of inventory;

all whether at a COVERED PROPERTY or at any other property. The **Pool** reserves the right to take into consideration the combined operating results of all associated, affiliated or subsidiary entities of the **Member** in determining the TIME ELEMENT loss.

- c. This PART 1 PROPERTY covers expenses reasonably and necessarily incurred by the **Member** to reduce the loss otherwise payable under this Section of this PART 1 PROPERTY. The amount of such recoverable expenses will not exceed the amount by which the loss has been reduced.
- d. Except as respects LEASEHOLD INTEREST, in determining the amount of loss payable, the **Pool** will consider the experience of the business before and after and the probable experience during the PERIOD OF LIABILITY.

2. TIME ELEMENT COVERAGES

a. GROSS EARNINGS

(i) Measurement of Loss:

(A) The recoverable GROSS EARNINGS loss is the actual loss sustained by the **Member** of the following during the PERIOD OF LIABILITY:

(1) **Gross Earnings** including **Ordinary Payroll**;

(2) Less all charges and expenses that do not necessarily continue during the interruption of production or suspension of business operations or services;

(3) Plus, all other earnings derived from the operation of the business.

(B) In determining the indemnity payable as the actual loss sustained, the **Pool** will consider the continuation of only those **Normal** charges and expenses that would have been earned had no interruption of production or suspension of business operations or services occurred.

(C) There is recovery hereunder only to the extent that the **Member** is:

(1) Wholly or partially prevented from producing goods or continuing business operations or services;

(2) Unable to make up lost production within a reasonable period of time, not limited to the period during which production is interrupted;

(3) Unable to continue such operations or services during the PERIOD OF LIABILITY; and

(4) Able to demonstrate a loss of sales for the services or production prevented.

b. EXTRA EXPENSE

(i) Measurement of Loss:

The recoverable Extra Expense loss will be the reasonable and necessary extra costs incurred by the **Member** of the following during the PERIOD OF LIABILITY:

(A) Extra expenses to temporarily continue as nearly **Normal** as practicable the conduct of the **Member's** business; and

(B) Extra costs of temporarily using property or facilities of the **Member** or others;

less any value remaining at the end of the PERIOD OF LIABILITY for property obtained in connection with the above.

(ii) EXTRA EXPENSE Exclusions:

As respects EXTRA EXPENSE, the following are also excluded:

(A) Any loss of income.

(B) Costs that normally would have been incurred in conducting the business during the same period had no physical loss or damage occurred.

(C) Cost of permanent repair or replacement of property that has been damaged or destroyed.

(D) Any expense recoverable elsewhere in this PART 1 PROPERTY.

c. LEASEHOLD INTEREST

(i) Measurement of Loss:

The recoverable LEASEHOLD INTEREST loss is as follows:

(A) If the lease agreement requires continuation of rent; and if the property is wholly untenable or unusable, the actual rent payable for the unexpired term of the lease; or if the property is partially untenable or unusable, the proportion of the rent payable for the unexpired term of the lease.

(B) If the lease is canceled by the lessor pursuant to the lease agreement or by the operation of law; the **Lease Interest** for the first three months following the loss; and the **Net Lease Interest** for the remaining unexpired term of the lease.

- (ii) LEASEHOLD INTEREST Exclusions: As respects to LEASEHOLD INTEREST, the TIME ELEMENT Exclusions a. b. and c. do not apply and the following applies instead:

This PART 1 PROPERTY does not cover any increase in loss resulting from the suspension, lapse or cancellation of any license, or from the **Member** exercising an option to cancel the lease; or from any act or omission of the **Member** that constitutes a default under the lease. In addition, there is no coverage for the **Member's** loss of LEASEHOLD INTEREST directly resulting from damage to PERSONAL PROPERTY.

d. RENTAL COVERAGE

- (i) Measurement of Loss:

The recoverable RENTAL COVERAGE loss is the actual loss sustained by the **Member** of the following during the PERIOD OF LIABILITY:

- (A) The fair rental value of any portion of the property occupied by the **Member**;
- (B) The income reasonably expected from rentals of unoccupied or unrented portions of such property; and
- (C) The rental income from the rented portions of such property according to bona fide leases, contracts or agreements in force at the time of loss;

all not to include noncontinuing charges and expenses.

- (ii) RENTAL COVERAGE Exclusions:

As respects RENTAL COVERAGE, TIME ELEMENT Exclusion a. does not apply and the following applies instead:

This **Addendum** does not cover any loss of rental income during any period in which the COVERED PROPERTY would not have been tenantable for any reason other than a covered loss.

e. CONTINGENT TAX REVENUE INTERRUPTION (EXCLUDING EARTHQUAKE AND FLOOD)

This PART 1 PROPERTY covers against loss resulting directly from necessary interruption of sales, property or other tax revenue collected by or due the **Member** caused by damage, or destruction by a peril not excluded from this PART 1 PROPERTY to property which is not operated by the **Member** and which wholly or partially prevents the generation of revenue for the account of the **Member**.

- (i) In the event of such damage or destruction, the **Pool** shall cover, with limitations as indicated, if the following conditions (A) and (B) are both met:
- (A) The total revenue is reduced to less than 97.5% of the **Member's** anticipated revenue had no loss occurred.
- (B) The **Pool** shall cover the actual loss sustained for only the length of time as would be required with exercise of due diligence and dispatch to rebuild, replace or repair the contributing property commencing with the date of damage to the contributing property.
- (ii) Deductible: Each loss or series of losses arising out of one event at each LOCATION shall be adjusted separately and from the aggregated amount of all such losses 2.5% of the annual revenue value shall be deducted.

3. TIME ELEMENT COVERAGE EXTENSIONS

a. CONTINGENT GROSS EARNINGS AND EXTRA EXPENSE

This PART 1 PROPERTY covers the actual loss sustained and EXTRA EXPENSE incurred by the **Member** during the PERIOD OF LIABILITY:

- (i) Directly resulting from physical loss or damage of the type covered; and
- (ii) To property of the type covered,

at direct supplier or customer locations located within the PROPERTY COVERAGE TERRITORY.

The term "supplier or customer" does not include any company supplying to or receiving from the COVERED PROPERTY, as described elsewhere in this PART 1 PROPERTY, electricity, fuel, gas, water, steam, refrigeration, sewage or telecommunications.

b. EXTENDED PERIOD OF INDEMNITY

The GROSS EARNINGS and RENTAL COVERAGE coverages are extended to cover the reduction in sales resulting from:

- (i) The interruption of business as covered by **Gross Earnings**;
- (ii) For such additional length of time as would be required with the exercise of due diligence and dispatch to restore the **Member's** business to the condition that would have existed had no loss occurred; and
- (iii) The loss of rental income or rental value as covered by RENTAL COVERAGE;

commencing with the date on which the coverage for loss resulting from interruption of business would terminate if this Extension had not been included herein.

EXTENDED PERIOD OF INDEMNITY Exclusions: As respects EXTENDED PERIOD OF INDEMNITY, the TIME ELEMENT Exclusion for increase in loss due to suspension, lapse of any lease, contract or license or order does not apply.

This PART 1 PROPERTY does not cover against any increase in loss due to fines or damages for breach of contract or for late or non-completion of orders, or penalties of any nature.

Coverage under this Extension for the reduction in sales due to contract cancellation will be limited to only those sales that would have been earned under the contract during the EXTENDED PERIOD OF INDEMNITY.

Coverage under this extension does not apply for more than the number of consecutive days shown in the LIMITS OF COVERAGE clause of the SECTION A DECLARATIONS.

c. INGRESS/EGRESS

This PART 1 PROPERTY covers the actual loss sustained and Extra Expense incurred by the **Member** due to the necessary interruption of the **Member's** business due to prevention of ingress to or egress from a COVERED PROPERTY, provided that such prevention is a direct result of physical damage of the type covered by this PART 1 PROPERTY, to the kind of property not excluded by this PART 1 PROPERTY, and which is located within five (5) statute miles of the COVERED PROPERTY incurring loss.

INGRESS/EGRESS Exclusions: As respects INGRESS/EGRESS, the following exclusions are applicable:

This PART 1 PROPERTY does not cover loss resulting from:

- (i) Lack of incoming or outgoing service consisting of electric, fuel, gas, water, steam, refrigerant, sewerage and telecommunications.
- (ii) Picketing or other action by strikers except for physical damage not excluded by this PART 1 PROPERTY.

This PART 1 PROPERTY does not provide coverage under this extension for more than the number of consecutive days shown in the LIMITS OF COVERAGE clause of the SECTION A DECLARATIONS.

d. INTERRUPTION BY CIVIL AUTHORITY

This PART 1 PROPERTY covers the actual loss sustained and Extra Expense incurred by the

Member during the PERIOD OF LIABILITY when access to COVERED PROPERTIES is specifically prohibited by order of civil authority, provided such order is a direct result of actual loss or damage from a peril covered under this PART 1 PROPERTY to property of the type covered under this PART 1 PROPERTY which is located within five (5) statute miles of the COVERED PROPERTY to which access is prohibited.

This PART 1 PROPERTY does not provide coverage under this extension for more than the number of consecutive days shown in the LIMITS OF COVERAGE clause of the SECTION A DECLARATIONS .

e. On Premises Services

This PART 1 PROPERTY covers the actual loss sustained by the **Member** during the PERIOD OF LIABILITY directly resulting from physical loss or damage of the type covered to the following property located on the **Member's** PREMISES:

- (i) Electrical and telecommunications equipment.
- (ii) Electrical, telecommunications, fuel, gas, water, steam, refrigeration and sewerage transmission lines.

f. EVACUATION EXPENSE

In the case of actual or imminent loss or damage of the type covered against by this PART 1 PROPERTY, or a MANDATORY EVACUATION ORDER, this PART 1 PROPERTY will pay the expenses incurred by the **Member** for the emergency evacuation of patients, inmates, and juvenile detainees from a COVERED PROPERTY.

MANDATORY EVACUATION ORDER means the first public broadcast of a compulsory evacuation made by the responsible civil authority that is specific as to the effective date, time and area affected and which arises out of a peril for which coverage would have been provided if such peril had caused loss or damage to a COVERED PROPERTY. The MANDATORY EVACUATION ORDER must commence during the **Addendum** PERIOD. Recommended, advisory, precautionary, or voluntary evacuation is not included in the definition of MANDATORY EVACUATION ORDER.

This additional coverage does not apply to expenses incurred for: scheduled evacuation drills, fire or safety drills, or the evacuation of a patient due to a medical condition. This coverage also includes expenses incurred to return patients, inmates, and juvenile detainees to a COVERED PROPERTY.

g. PROTECTION AND PRESERVATION OF PROPERTY Time Element

This PART 1 PROPERTY covers the actual loss sustained by the **Member** for the temporary PROTECTION AND PRESERVATION OF PROPERTY covered by this PART 1 PROPERTY

provided such action is necessary to prevent immediately impending physical loss or damage covered by this PART 1 PROPERTY at such COVERED PROPERTY.

This extension is subject to the deductible provisions that would have applied had the physical loss or damage occurred.

h. Research and Development

The GROSS EARNINGS and Gross Profit coverages are extended to insure the actual loss sustained by the **Member** of continuing fixed charges and **Ordinary Payroll** directly attributable to the interruption of research and development activities that in themselves would not have produced income during the PERIOD OF COVERAGE.

The PERIOD OF COVERAGE for this TIME ELEMENT Coverage Extension will be the period from the time of direct physical loss or damage of the type covered by this PART 1 PROPERTY to the time when the property could be repaired or replaced and made ready for operations under the same or equivalent physical and operating conditions that existed prior to damage.

i. Service Interruption Time Element

- (i)* This PART 1 PROPERTY covers the actual loss sustained and Extra Expense incurred by the **Member** during the **Period of Service Interruption** at COVERED PROPERTY when the loss is caused by the interruption of incoming or outgoing services consisting of electricity, gas, fuel, steam, water, refrigeration or from the lack of incoming or outgoing sewerage service by reason of physical loss or damage of the type covered against to real and PERSONAL PROPERTY of the type covered to the facilities of the utility supplier of such service located within this PROPERTY COVERAGE TERRITORY, that immediately prevents in whole or in part the delivery of such usable services.
- (ii)* This extension will apply when the **Period of Service Interruption** is in excess of the time shown as **Waiting Period** in the WAITING PERIOD clause of the SECTION A DECLARATIONS.
- (iii)* Additional General Provisions:
 - (A)* The **Member** will immediately notify the suppliers of services of any interruption of such services.
 - (B)* The **Pool** will not be liable if the interruption of such services is caused directly or indirectly by the failure of the **Member** to comply with the terms and conditions of any contracts the **Member** has for the supply of such specified services.

4. PERIOD OF LIABILITY

- a.** The PERIOD OF LIABILITY applying to all TIME ELEMENT COVERAGES, except

LEASEHOLD INTEREST and as shown below, or if otherwise provided under the TIME ELEMENT COVERAGE EXTENSIONS, is as follows:

- (i) For building and equipment, the period:
 - (A) Starting from the time of physical loss or damage of the type covered against; and
 - (B) Ending when with due diligence and dispatch the building and equipment could be:
 - (1) Repaired or replaced; and
 - (2) Made ready for operations;

under the same or equivalent physical and operating conditions that existed prior to the damage.

- (ii) For building and equipment under construction:
 - (A) The equivalent of the above period of time will be applied to the level of business that would have been reasonably achieved after construction and startup would have been completed had no physical damage happened; and
 - (B) Due consideration will be given to the actual experience of the business compiled after completion of the construction and startup.
- (iii) For stock-in-process and mercantile stock, including finished goods not manufactured by the **Member**, the time required with the exercise of due diligence and dispatch:
 - (A) To restore stock in process to the same state of manufacture in which it stood at the inception of the interruption of production or suspension of business operations or services; and
 - (B) To replace physically damaged mercantile stock.

This item does not apply to Rental Coverage.

- (iv) For raw materials and supplies, the period of time:
 - (A) Of actual interruption of production or suspension of operations or services resulting from the inability to get suitable raw materials and supplies to replace similar ones damaged; but
 - (B) Limited to that period for which the damaged raw material and supplies would have supplied operating needs.

- (v) If water:
- (A) Used for any manufacturing purpose, including but not limited to as a raw material or for power;
- (B) Stored behind dams or in reservoirs; and
- (C) At any COVERED PROPERTY;

is released as the result of physical damage of the type covered under this PART 1 PROPERTY to such dam, reservoir or connected equipment, the **Pool's** liability due to inadequate water supply is limited to 30 consecutive days after the damaged dam, reservoir or connected equipment has been repaired or replaced.

This item does not apply to RENTAL COVERAGE.

- (vi) For physically damaged exposed film, records, manuscripts and drawings, the time required to copy from backups or from originals of a previous generation. This time does not include research, engineering or any other time necessary to restore or recreate lost information.

This item does not apply to RENTAL COVERAGE.

- (vii) For physically damaged or destroyed data, programs or other software stored on electronic, electro-mechanical, electro-magnetic data processing or production equipment, the time to recreate or restore including the time for researching or engineering lost information.

This item does not apply to RENTAL COVERAGE.

- (viii) If an order of civil authority prohibits access to the COVERED PROPERTY and provided such order is the direct result of physical damage of the type covered against under this PART 1 PROPERTY at the COVERED PROPERTY or within five statute miles of it, the period of time:
 - (A) Starting at the time of physical damage; but
 - (B) Not to exceed 30 consecutive days.
- b. The PERIOD OF LIABILITY does not include any additional time due to the **Member's** inability to resume operations for any reason, including but not limited to:
 - (i) Making changes to equipment.

- (ii) Making changes to the buildings or structures except as provided in the INCREASED COST OF CONSTRUCTION provision.
- (iii) Re-staffing or retraining employees.

If two or more PERIODS OF LIABILITY apply such periods will not be cumulative.

5. TIME ELEMENT EXCLUSIONS

In addition to exclusion elsewhere in this PART 1 PROPERTY, the following exclusions apply to Time Element loss:

This PART 1 PROPERTY does not cover:

- a.** Any loss during any idle period, including but not limited to when production, operation, service or delivery or receipt of goods would cease, or would not have taken place or would have been prevented due to:
 - (i) Physical loss or damage not covered by this PART 1 PROPERTY on or off of the COVERED PROPERTY.
 - (ii) Planned or rescheduled shutdown.
 - (iii) Strikes or other work stoppage.
 - (iv) Any other reason other than physical loss or damage covered by this PART 1 PROPERTY.
- b.** Any increase in loss due to:
 - (i) Suspension, cancellation or lapse of any lease, contract, license or orders; or
 - (ii) Fines or damages for breach of contract or for late or noncompletion of orders; or
 - (iii) For penalties of any nature; or
 - (iv) Any other consequential or remote loss.
- c.** Any loss resulting from loss or damage to finished goods manufactured by the **Member**, nor the time required for their reproduction.

SECTION D LOSS ADJUSTMENT AND SETTLEMENT

1. LOSS ADJUSTMENTS/PAYABLE

Loss, if any, will be adjusted with and payable to the **Member** or as may be directed by the **Member**, to a lender, mortgagee and/or loss payee as their interests may appear in a contract entered into with the **Member** prior to loss.

2. CURRENCY FOR LOSS PAYMENT

Losses will be adjusted and paid in the currency of the United States of America.

3. VALUATION

Adjustment of the physical damage loss amount under this PART 1 PROPERTY will be computed as of the date of loss at the COVERED PROPERTY, and for no more than the interest of the **Member**, subject to the following:

- a. On stock in process, the value of raw materials and labor expended plus the proper proportion of overhead charges.
- b. On finished goods manufactured by the **Member**, the regular cash selling price at the COVERED PROPERTY where the loss happens, less all discounts and charges to which the finished goods would have been subject had no loss happened.
- c. On raw materials, supplies and other merchandise not manufactured by the **Member**:
 - (i) If repaired or replaced, the actual expenditure incurred in repairing or replacing the damaged or destroyed property; or
 - (ii) If not repaired or replaced, the **Actual Cash Value**.
- d. On property covered under DEFERRED PAYMENTS, the lesser of the:
 - (i) Total amount of unpaid installments less finance charges;
 - (ii) **Actual Cash Value** of the property at the time of loss; or
 - (iii) Cost to repair or replace with material of like size, kind and quality.
- e. On **Fine Arts** articles, the lesser of:
 - (i) The reasonable and necessary cost to repair or restore such property to the physical condition that existed on the date of loss;
 - (ii) Cost to replace the article; or
 - (iii) Current market value at the time of loss.

In the event a **Fine Arts** article is part of a pair or set, and a physically damaged article cannot be replaced, or repaired or restored to the condition that existed immediately prior to the loss, the **Pool** will cover the lesser of the full value of such pair or set or the amount designated on the schedule. The **Member** agrees to surrender the pair or set to the **Pool**.

f. On VALUABLE PAPERS AND RECORDS and ELECTRONIC DATA AND MEDIA:

On data, programs or software stored on electronic, electro-mechanical, or electro-magnetic data processing or production equipment:

- (i) The cost to repair, replace or restore data, programs or software including the costs to recreate, research and engineer;
- (ii) If not repaired, replaced or restored within two years from the date of loss, the blank value of the media.

g. On all other VALUABLE PAPERS AND RECORDS and ELECTRONIC DATA AND MEDIAL, the lesser of the following:

- (i) The cost to repair or restore, including the cost to recreate, research and engineer the item to the condition that existed immediately prior to the loss;
- (ii) The cost to replace the item

h. On Mobile Equipment, watercraft, and Vehicles:

- (i) The lesser of the **Actual Cash Value** at the time of loss or the cost to repair or replace.
- (ii) If owned by the Member and less than or equal to two years from December 31 of the model year, the lesser of the cost to repair or replace the property with new property of like kind and quality at the time of loss.
- (iii) If not repaired or replaced within two years from the date of loss, the **Actual Cash Value**.

i. On REPRODUCTION COST PROPERTY, valuation will be based upon the following requirements:

- (i) To qualify as a REPRODUCTION COST PROPERTY, the **Member** shall provide written notice to the **Pool**, which specifically identifies where the property is located, when it was built, its total square footage with an attached appraisal based upon reproduction value that was conducted within the past five years.
- (ii) At the time of loss, the basis of valuation for REPRODUCTION COST PROPERTY,

when the **Member** has not complied, will be **Replacement Cost** as described in l. below. Where the **Member** has complied with the requirements, the basis of valuation will be **Reproduction Cost**, or if not replaced, at **Actual Cash Value**.

j. On property in transit:

- (i) Property shipped to or for the account of the **Member** will be valued at actual invoice to the **Member**. Included in the value are accrued costs and charges legally due. Charges may include the **Member's** commission as selling agent.
- (ii) Property sold by the **Member** and shipped to or for the purchaser's account will be valued at the **Member's** selling invoice amount. Prepaid or advanced freight costs are included.
- (iii) Property not under invoice will be valued at the actual cash market value at the destination point on the date of **Occurrence**, less any charges saved which would have become due and payable upon arrival at destination.

k. On **Vacant Property**:

- (i) If the building or leased premises has been **Vacant** for a period of more than 90 consecutive days before the loss or damage occurs, the **Pool** will not pay for any loss or damage caused by any of the following:
 - (A) Vandalism.
 - (B) Sprinkler leakage.
 - (C) Building glass breakage.
 - (D) Water damage.
 - (E) Theft, or attempted theft.
- (ii) With respect to direct physical loss or damage, other than from causes listed in (i)(A) through (i)(E) above, and not otherwise excluded by this PART 1 PROPERTY the **Pool** will reduce the amount the **Pool** would otherwise pay for the loss or damage by 15%.

l. On all other property, the loss amount will not exceed the lesser of the following:

- (i) The cost to repair;
- (ii) The cost to rebuild or replace on the same site with new materials of like size, kind and quality;

- (iii) The cost in rebuilding, repairing or replacing on the same or another site, but not to exceed the size and operating capacity that existed on the date of loss;
- (iv) The selling price of real property or machinery and equipment, other than stock, offered for sale on the date of loss;
- (v) The cost to replace unrepairable electrical or mechanical equipment, including computer equipment, with equipment that is the most functionally equivalent to that damaged or destroyed, even if such equipment has technological advantages and/or represents an improvement in function and/or forms part of a program of system enhancement;
- (vi) The increased cost of demolition, if any, resulting from loss covered by this PART 1 PROPERTY, if such property is scheduled for demolition;
- (vii) The unamortized value of improvements and betterments, if such property is not repaired or replaced at the **Member's** expense; or
- (viii) The **Actual Cash Value** if such COVERED PROPERTY is:
 - (A) Useless to the **Member**;
 - (B) Not repaired, replaced or rebuilt on the same or another site within two years from the date of loss; or
 - (C) Scheduled with the **Pool**, at **Actual Cash Value** for contribution calculation purposes.

The **Member** may elect not to repair or replace the COVERED PROPERTY lost, damaged or destroyed. Loss settlement may be elected on the lesser of repair or **Replacement Cost** basis if the proceeds of such loss settlement are expended on other capital expenditures related to the **Member's** operations within two years from the date of loss. As a condition of collecting under this item, such expenditure must be unplanned as of the date of loss and be made at a COVERED PROPERTY under this PART 1 PROPERTY. This item does not extend to INCREASED COST OF CONSTRUCTION.

- (ix) The **Pool** will not pay the full amount of any loss if the value of the COVERED PROPERTY at the time of the loss times the percentage required in the VALUE REPORTING PROVISION of this PART 1 PROPERTY is greater than the amount the COVERED PROPERTY is valued at on the **Pool** schedules at the time of loss. Instead, we will determine the most we will pay using the following steps:
 - (A) Multiply the value of the COVERED PROPERTY at the time of loss by the percentage required in the VALUE REPORTING PROVISION of this PART 1 PROPERTY;

- (B) Divide the amount the COVERED PROPERTY was valued at on the **Pool** schedules at the time of loss by the figure determined in step (A);
- (C) Multiply the total amount of loss, before the application of any deductible, by the figure determined in step (B); and
- (D) Subtract the deductible from the figure determined in step (C).
- (E) The **Pool** will pay the amount determined in step (D) or the amount the COVERED PROPERTY was valued at on the **Pool** schedules at the time of loss, whichever is less.

4. LOSS CONDITIONS

a. Requirements in Case of Loss

The **Member** will:

- (i) Give written notice to the **Pool** of any loss as soon as practicable.
- (ii) Protect the property from further loss or damage.
- (iii) Promptly separate the damaged and undamaged property; put it in the best possible order; and furnish a complete inventory of the lost, destroyed, damaged and undamaged property showing in detail the quantities, costs, **Actual Cash Value**, replacement value and amount of loss claimed.
- (iv) Give a signed and sworn PROOF OF LOSS to the **Pool** within 90 days after the loss, unless that time is extended in writing by the **Pool**. The PROOF OF LOSS must state the knowledge and belief of the **Member** as to:
 - (A) The time and origin of the loss;
 - (B) The **Member's** interest and that of all others in the property;
 - (C) The **Actual Cash Value** and replacement value of each item and amount of loss to each item; all encumbrances; and all other contracts of insurance, whether valid or not, covering any of the property;
 - (D) Any changes in the title, use, occupation, location, possession or exposures of the property since the effective date of this PART 1 PROPERTY; and
 - (E) By whom and for what purpose any COVERED PROPERTY was occupied on the date of loss, and whether or not it then stood on leased ground.

- (v) Include a copy of all the descriptions and schedules in all policies and, if required, provide verified plans and specifications of any buildings, fixtures, machinery or equipment destroyed or damaged.
- (vi) Further, the **Member** will as often as may be reasonably required:
 - (A) Exhibit to any person designated by the **Pool** all that remains of any property;
 - (B) Submit to examinations under oath by any person designated by the **Pool** and sign the written records of examinations; and
 - (C) Produce for examination at the request of the **Pool**:
 - (1) All books of accounts, business records, bills, invoices and other vouchers; or
 - (2) Certified copies if originals are lost;

at such reasonable times and places that may be designated by the **Pool** or its representative and permit extracts and machine copies to be made.

b. Pool Option

The **Pool** has the option to take all or any part of damaged Personal Property at the agreed or appraised value. The **Pool** must give notice to the **Member** of its intention to do so within 30 days after receipt of PROOF OF LOSS.

c. Abandonment

There may be no abandonment of any property to the **Pool**.

d. Subrogation

The **Member** is required to cooperate in any subrogation proceedings. The **Pool** may require from the **Member** an assignment or other transfer of all rights of recovery against any party for the loss to the extent of the **Pool's** payment.

The **Pool** will not acquire any rights of recovery that the **Member** has expressly waived prior to a loss in writing, nor will such waiver affect the **Member's** rights under this PART 1 PROPERTY except as they relate to PROPERTY UNDER THE COURSE OF CONSTRUCTION.

Any recovery from subrogation proceedings, less costs incurred by the **Pool** in such proceedings, will be payable to the **Member** in the proportion that the amount of any applicable deductible bears to the entire covered loss amount.

e. Appraisal

The appraisal process is available to determine the value of a covered loss but is not available to determine whether a loss is covered. If the **Member** and the **Pool** fail to agree on the amount of loss, each will, on the written demand of either, select a competent and disinterested appraiser, but only after:

- (i) The **Member** has fully complied with all provisions of this **Addendum**, including REQUIREMENTS IN CASE OF LOSS; and
- (ii) The **Pool** has received a signed and sworn PROOF OF LOSS from the **Member**.

Each will notify the other of the appraiser selected within 30 days of such demand.

The appraisers will first select a competent and disinterested umpire. If the appraisers fail to agree upon an umpire within 30 days, the **Member** and the **Pool** shall jointly move to have an umpire selected by a judge of a court of record in the jurisdiction in which the appraisal is pending. The appraisers will then identify each item of physical damage or loss and appraise the amount of loss. The appraisal shall include a detailed breakdown of the costs necessary to repair or replace the item and shall state separately the **Actual Cash Value** and **Replacement Cost** value as of the date of loss and the amount of loss, for each item of physical loss or damage or if, for TIME ELEMENT loss, the amount of loss for each TIME ELEMENT coverage of this PART 1 PROPERTY.

If the appraisers fail to agree, they will submit their differences to the umpire. The umpire shall review the appraisals prepared by the appraisers selected by the **Member** and the **Pool** and shall inspect the property prior to preparing his appraisal. The appraisers for the **Member** and the **Pool** shall be afforded the opportunity to attend the umpire's inspection of the property and provide sufficient input to allow the umpire to understand the nature and reasons for the differences between the appraisals. After inspecting the property and receiving input from the appraisers, the umpire shall identify each item of physical loss or damage and shall appraise the amount of the loss for each item. The umpire's appraisal shall include a detailed breakdown of the costs necessary to repair or replace the item and shall state separately the **Actual Cash Value** and **Replacement Cost** value as of the date of loss. An award agreed to in writing by any two of the three appraisers will determine the amount of loss. The appraisal award is subject to all terms of the **Addendum** and may be reduced by the application of a deductible called for in the PART 1 PROPERTY.

The **Member** and the **Pool** will each:

- (i) Pay its chosen appraiser; and
- (ii) Bear equally the other expenses of the appraisal and umpire.

A demand for an Appraisal shall not relieve the **Member** of its continuing obligation to comply with the terms and conditions of this **Addendum**, including as provided under REQUIREMENTS IN CASE OF LOSS.

The **Pool** will not be held to have waived any of its rights by any act relating to appraisal.

f. Suit Against The Pool

No suit, action or proceeding for the recovery of any claim will be sustained in any court of law or equity unless the following adjudication procedures are satisfied:

- (i) As a condition precedent to filing a suit, the **Member** has fully complied with all the provisions of this **Addendum**, including providing PROOF OF LOSS;
- (ii) As a condition precedent to filing suit, the **Member** must attend at least a one-day mediation before a mutually agreeable mediator, unless this provision is waived by both the **Member** and the **Pool**;
- (iii) Any suit against the **Pool** arising from a claim or loss must be filed in accordance with the Utah Governmental Immunities Act.

5. SETTLEMENT OF CLAIMS

The amount of loss for which the **Pool** may be liable will be paid in accordance with the Utah Uniform Fiscal Procedures Act. The time period for payment within the Act shall not begin until:

- a.** PROOF OF LOSS as described in this **Addendum** is received by the **Pool**; and
- b.** When a resolution of the amount of loss is made either by:
 - (i) Written agreement between the **Member** and the **Pool**; or
 - (ii) The filing with the **Pool** of an award as provided in the APPRAISAL provisions of this Section.

6. COLLECTION FROM OTHERS

The **Pool** will not be liable for any loss to the extent that the **Member** has collected such loss from others.

7. PARTIAL PAYMENT OF LOSS SETTLEMENT

In the event of a loss occurring, which has been ascertained to be a covered loss or damage under this PART 1 PROPERTY and determined by the **Pool's** representatives to be in excess of the

applicable PART 1 PROPERTY deductible, the **Pool** will advance mutually agreed upon partial payment(s) on the covered loss or damage, subject to the **Addendum's** provisions. To obtain said partial payments, the **Member** will submit a signed and sworn PROOF OF LOSS as described in this **Addendum**, with adequate supporting documentation.

8. JURISDICTION

This **Addendum** will be governed by United States of America Law. Any disputes arising hereunder will be exclusively subject to United States of America jurisdiction.

SECTION E GENERAL PROVISIONS

1. ADDITIONAL INTERESTS/CERTIFICATION OF COVERAGE

Any certification of coverage issued in connection with this **Addendum** shall be issued solely as a matter of convenience or information for the addressee(s) or holder(s) of said certification of coverage, except where any loss payee(s) or mortgagee(s) are identified on said certification of coverage. In the event any loss payee(s) or mortgagee(s) are so identified, the **Member** may request the **Pool** make payment for loss to the loss payee(s) or mortgagee(s) interest in COVERED PROPERTY directly to loss payee(s) or mortgagee(s), subject to all other terms, conditions and exclusions stated herein.

2. CANCELLATION

This **Addendum** may only be cancelled in accordance with the withdrawal and termination provisions of the Interlocal Cooperation Agreement and Bylaws of the **Pool**.

3. INSPECTIONS

The **Pool**, at all reasonable times, will be permitted, but will not have the duty, to inspect COVERED PROPERTY.

The **Pool's**:

- a. Right to make inspections;
- b. Making of inspections; or
- c. Analysis, advice or inspection report;

will not constitute an undertaking, on behalf of or for the benefit of the **Member** or others, to determine or warrant that the COVERED PROPERTY is safe or healthful. The **Pool** will have no liability to the **Member** or any other person because of any inspection or failure to inspect.

When the **Pool** is not providing jurisdictional inspections, the Owner/Operator has the responsibility to assure that jurisdictional inspections are performed as required, and to assure that required jurisdictional Operating Certificates are current for their pressure equipment.

4. MISREPRESENTATION AND FRAUD

This **Addendum** will be void in entirety if, whether before or after a loss, a **Member** has:

- a. Willfully concealed or misrepresented any material fact or circumstance concerning this coverage, the subject thereof, any claim for coverage, or the interest of a **Member**;
- b. Made any attempt to defraud the **Pool**; or
- c. Made any false swearing.

5. LENDERS LOSS PAYEE AND MORTGAGEE INTERESTS AND OBLIGATIONS

Any obligation of the **Member** to any lenders loss payee(s) and/or mortgagee(s) creates no obligation of the **Pool** to any lenders loss payee(s) and/or mortgagee(s).

6. INSURANCE OR OTHER COVERAGE

- a. If there is any insurance or other coverage that would apply in the absence of this PART 1 PROPERTY, this PART 1 PROPERTY will apply only after such insurance or coverage whether collectable or not.
- b. In no event will this PART 1 PROPERTY apply as contributing insurance or coverage.
- c. If the **Member** has insurance or other coverage over any limits or sublimits of liability specified elsewhere in this PART 1 PROPERTY the coverage under this PART 1 PROPERTY will not be prejudiced. The existence of such insurance or other coverage will not reduce any limit or sublimit of liability in this PART 1 PROPERTY. Any insurance or other coverage that would have provided primary coverage in the absence of this PART 1 PROPERTY will not be considered excess.
- d. If this PART 1 PROPERTY is deemed to contribute with insurance or other coverage, the limit of liability applicable at each COVERED PROPERTY, for purposes of such contribution with other insurers or coverage providers, will be the latest amount described in this PART 1 PROPERTY or the latest COVERED PROPERTY value on file with the **Pool**.

7. ADDENDUM MODIFICATION

This **Addendum**, the Interlocal Cooperation Agreement, and Bylaws of the **Pool** contain all of the agreements between the **Members** concerning this coverage. A **Member** may request amendments to this **Addendum**. This **Addendum** can only be amended in accordance with the Interlocal Cooperation Agreement and Bylaws of the **Pool**.

Notice to any representative of the **Pool** or knowledge possessed by any representative of the **Pool** or by any other person will not:

- a. Create a waiver, or change any part of this **Addendum**; or
- b. Prevent the **Pool** from asserting any rights under the Provisions of this **Addendum**.

8. REDUCTION BY LOSS

Claims paid under this PART 1 PROPERTY will not reduce its LIMITS OF COVERAGE, except claims paid will reduce any Annual Aggregate LIMIT OF COVERAGE.

9. SUSPENSION

On discovery of a dangerous condition, the **Pool** may immediately suspend Equipment Breakdown coverage on any machine, vessel or part thereof by giving written notice to the **Member**. The suspended coverage may be reinstated by the **Pool**.

10. TITLES

The titles in this PART 1 PROPERTY are only for reference. The titles do not in any way affect the provisions of this PART 1 PROPERTY.

SECTION F DEFINITIONS

1. **Actual Cash Value:** the amount it would cost to repair or replace COVERED PROPERTY, on the date of loss, with material of like kind and quality, with proper deduction for obsolescence and physical depreciation.
2. **Defined Peril: Earth Movement**, explosion, falling aircraft, fire, **Flood**, hail, lightning, smoke, tornado, **Vehicle** impact, wind-driven water, and windstorm.
3. **Earthquake:** a shaking or trembling of the earth that is tectonic or seismic in origin.
4. **Earth Movement:** any natural or man-made earth movement including, but not limited to **Earthquake**, landslide, subsidence or volcanic eruption regardless of any other cause or event contributing concurrently or in any other sequence of loss. This definition does

not include loss or damage caused by or resulting from **Flood**, regardless of any other cause or event contributing concurrently or in any other sequence to the loss.

However, physical damage by fire, explosion, or sprinkler leakage resulting from **Earth Movement** will not be considered to be loss by **Earth Movement** within the terms and conditions of this PART 1 PROPERTY. All **Earth Movement** within a continuous 168 hour period will be considered a single **Earth Movement**; the beginning of such period shall be determined by the **Member**.

5. **Electronic Data and Media:** all forms of data, converted data, electronically converted data and/or programs and/or applications and/or instructions and/or media vehicles employed.
6. **Federal Emergency Management Agency:** the federal agency under which the National Flood Insurance Program is administered.
7. **Federal Insurance Administration:** the federal entity within the **Federal Emergency Management Agency** that directly administers the National Flood Insurance Program (NFIP).
8. **Fine Arts:** manuscripts, paintings, etchings, pictures, murals, tapestries, rare or art glass, art glass windows, valuable rugs, statuary, sculptures, antique furniture, antique jewelry, bric-a-brac, porcelains, mounted animals or insects, and similar property of rarity, historical value, or artistic merit excluding automobiles, coins, stamps, furs, jewelry, precious stones, precious metals, watercraft, aircraft, money, securities.
9. **Flood:**
 - a. A general and temporary condition of partial or complete inundation of normally dry land areas from:
 - (i) **Flood**, or rising waters, waves, tide, or tidal water;
 - (ii) The unusual and rapid accumulation or runoff of surface waters from any source; or
 - (iii) Mudslide or mud flow caused by accumulation of water on or under the ground.
 - b. The release of water, the rising, overflowing or breaking of boundaries of natural or man-made bodies of water, or the spray therefrom.

However, physical damage by fire, explosion or sprinkler leakage resulting from **Flood** is not considered to be loss by **Flood** within the terms and conditions of this PART 1 PROPERTY.

All flooding within a continuous 168 hour period will be considered a single **Flood**; the beginning of such period shall be determined by the **Member**.

10. **Flood Insurance Rate Map:** the official map of a community on which the administrator has designated the special hazards area applicable to the community.
11. **Gross Earnings:**
 - a. For manufacturing operations: the net sales value of production less the cost of all raw stock, materials and supplies used in such production; or
 - b. For mercantile or non-manufacturing operations: the total net sales less cost of merchandise sold, materials and supplies consumed in the operations or services rendered by the **Member**.
12. **Lease Interest:** the excess rent paid for the same or similar replacement property over actual rent payable plus cash bonuses or advance rent paid (including maintenance or operating charges) for each month during the unexpired term of the **Member's** lease.
13. **Mobile Equipment:** any of the following types of self-propelled equipment, including any attached machinery or equipment:
 - a. Bulldozers, earthmovers, tractors, diggers, farm machinery, forklifts, contractors' equipment, medical equipment, ATVs, snowmobiles, and other self-propelled equipment designed for use principally off public roads;
 - b. Self-propelled equipment maintained for use solely on or next to COVERED PROPERTY;
 - c. Self-propelled equipment that travel on crawler treads;
 - d. Equipment, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted power cranes, shovels, loaders, diggers or drills or to road construction or resurfacing equipment such as graders, scrapers or rollers;
 - e. Trailers that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types: air compressors, pumps and generators including spraying, welding, building, cleaning, geophysical exploration, lighting and well servicing equipment or cherry pickers and similar devices used to raise or lower workers;
 - f. Self-propelled equipment not described above which are maintained primarily for purposes other than the transportation of persons or cargo.
14. **Net Lease Interest:** that sum which placed at 3% interest rate compounded annually would equal the **Lease Interest** (less any amounts otherwise payable hereunder).

15. **Normal:** the condition that would have existed had no physical loss or damage occurred.
16. **Occurrence:** any one loss, disaster, casualty or series of losses, disasters, or casualties, arising out of one event. When the term applies to loss or losses from the perils of tornado, cyclone, hurricane, windstorm, hail, volcanic eruption, riot, riot attending a strike, civil commotion, and vandalism and malicious mischief one event shall be construed to be all losses arising during a continuous period of 72 hours. When filing PROOF OF LOSS, the **Member** may elect the moment at which the 72 hour period shall be deemed to have commenced, which shall not be earlier than the first loss to the COVERED PROPERTY occurs.
17. **Ordinary Payroll:** includes the **Member's** payroll for all employees except officers, executives, department managers, and employees under contract. It is comprised of, but not limited to, the payroll, benefits paid for the payroll, social security (FICA), union dues paid for the payroll, and workers compensation paid for the payroll.
18. **Period of Service Interruption:**
 - a. The period starting with the time when an interruption of specified services occurs; and ending when with due diligence and dispatch the service could be wholly restored and the COVERED PROPERTY receiving the service could or would have resumed **Normal** operations following the restorations of service under the same or equivalent physical and operating conditions as provided by the Period of Liability provision of this Section of this PART 1 PROPERTY.
 - b. Is limited to only those hours during which the **Member** would or could have used services(s) if it had been available.
 - c. Does not extend to include the interruption of operations caused by any reason other than interruption of the specified service(s).
19. **Pollutants:** any solid, liquid, gaseous or thermal irritant or contaminant, including, but not limited to, smoke, vapors, soot, fumes, acids, alkalis, chemicals, vaccines and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
20. **Replacement Cost:** the amount it would cost to repair or replace COVERED PROPERTY, on the date of loss, with material of like kind and quality.
21. **Reproduction Cost:** defined as the cost to repair, rebuild or replace with material of like kind and quality compatible to those originally used, including the cost of skilled labor and/or authentic materials necessary to restore the property as nearly as possible to its original condition.
22. **Soft Costs:**

- a. Interest expense.
 - b. General overhead-developer expenses and additional real estate taxes.
 - c. Legal or professional fees.
 - d. Marketing expenses and advertising expenses.
 - e. Debt service payments and insurance premiums.
 - f. Refinancing charges and bond interest.
 - g. Founders fees and miscellaneous operating expenses.
23. **Special Flood Hazard Area:** the areas of a **Flood Insurance Rate Map** which t are identified as Zones A, AO, AH, AI-A30, AE, A99, AR, AR/A, AR/AE, AR/A1-A30, AR/AH, AR/AO, V, V1-V30, and VE. For purposes of determining which areas qualify as **Special Flood Hazard Areas** as specified above, only those **Flood Insurance Rate Maps** which were in effect at the time of the **Flood** loss shall apply.
24. **Storm Surge:** water driven inland from coastal waters by high winds and low atmospheric pressure. **Storm Surge** shall not be considered **Flood**.
25. **Terrorism:** an act or series of acts, including the use of force or violence, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organization(s), committed for political, religious or ideological purposes including the intention to influence any government and/or to put the public or any section of the public in fear for such purposes. **Terrorism** shall also include any act which is verified or recognized by the United States Government as an act of **Terrorism**.
26. **Unmanned Aircraft System:** an unmanned aircraft and the equipment necessary for the safe and efficient operation of that aircraft. An unmanned aircraft is a component of an **Unmanned Aircraft System**. An unmanned aircraft is an aircraft that is operated without the possibility of direct human intervention from within or on the aircraft.
27. **Vacant:** containing inadequate contents to perform customary business operations.
28. **Vacant Property:** a building is **Vacant** or unoccupied if less than 10% of the total square footage owned, rented, or leased by the **Member** is used by the **Member** to conduct customary operations, excluding common areas such as lobbies and garages. Buildings under construction or renovation shall not be considered **Vacant**.
29. **Valuable Papers and Records:** written, printed or otherwise inscribed documents, securities, and records including but not limited to books, maps, films, drawings,

abstracts, evidence of debt, deeds, mortgages, mortgage files, manuscripts and micro or electronically/magnetically inscribed documents, but not including the monetary value of monies and/or securities.

30. **Vehicle:** any automobile, truck, van, bus, motorcycle, or other conveyance licensed for use on public roads.
31. **Waiting Period:** the time period where the **Pool** shall have no liability for the TIME ELEMENT loss when the Period of Recovery applicable to all TIME ELEMENT loss is equal to or less than such time period. If, however, the Period of Recovery exceeds such time period then the **Pool's** liability for the TIME ELEMENT loss shall otherwise apply and the Period of Recovery shall be measured from the inception of the **Occurrence** for which loss is being claimed. The applicable deductible shall then apply.

COMMUNICABLE DISEASE EXCLUSION AMENDMENT

This amendment attaches to and forms part of PART I PROPERTY.

Notwithstanding any other provision of this **Addendum** to the contrary, the **Pool** does not cover any loss, cost, damage or expense, arising out of, attributable to, or occurring concurrently or in any sequence with a COMMUNICABLE DISEASE.

As used herein, COMMUNICABLE DISEASE means any infectious or contagious substance:

1. Including, but limited to, a virus, bacterium, parasite or other organism or any mutation thereof, whether deemed living or not; and
2. Regardless of the method of transmission, whether direct or indirect, including but not limited to, airborne transmission, bodily fluid transmission, transmission from or to any surface or object, solid, liquid or gas or between humans, animals, or from any animal to any human or from any human to any animal,

That can cause or threaten damage to human health or human welfare or causes or threatens damage, deterioration, loss of value, marketability or loss of use to tangible or intangible property covered hereunder.

For avoidance of doubt, no coverage extension, additional coverage, global extension, exception to any exclusion or other coverage grant shall afford any coverage that would otherwise be excluded through this exclusion. For further avoidance of doubt, loss, cost, damage or expense, includes any cost to clean-up, detoxify, remove, monitor or test: (1) for a COMMUNICABLE DISEASE, or (2) any tangible or intangible property covered hereunder that is affected by such COMMUNICABLE DISEASE.

All other terms and condition of the PART 1 PROPERTY remain the same.

ENERGY EFFICIENCY UPGRADE AMENDMENT

The following Energy Efficiency Upgrade is added to the Additional Coverages of PART 1 PROPERTY.

The coverages and valuation provision provided by this amendment only apply if direct physical loss or damage to covered real and/or personal property is caused by any of the perils covered by the PART 1 PROPERTY and **Replacement Cost** valuation applies. This coverage does not apply to: (1) personal property of others in the **Member's** care, custody, and control, (2) leased personal property, and/or (3) finished or unfinished stock.

1. Notwithstanding the VALUATION or LIMITS OF COVERAGE clauses applicable to specific COVERED PROPERTY or perils, if **Replacement Cost** valuation applies to real and/or personal property, then the **Pool's** liability for loss applicable to this amendment shall be the cost to repair or replace the covered damaged property, subject to the applicable LIMITS OF COVERAGE, plus the least of the following amounts:
 - a. The reasonable and necessary amount to upgrade the covered damaged property as described in **Coverage Section A Non-LEED® Certified Coverage** or as described in **Coverage Section B LEED® Certified Coverage**, whichever is applicable; or
 - b. An additional 25% of the applicable LIMITS OF COVERAGE for the COVERED PROPERTY shown in the Statement of Values or similar schedule to upgrade; or
 - c. The Energy Efficiency Upgrade Sublimit in SECTION A DECLARATIONS.

At the **Member's** sole discretion, the **Member** may elect not to upgrade any or all property for which upgrade coverage is provided under this amendment. In such case, the **Pool** will adjust the claim in accordance with the standard provisions of the PART 1 PROPERTY, as modified by all other applicable amendments.

Subject to the least of **a.**, **b.**, or **c.** above, if TIME ELEMENT coverage is provided as part of this PART 1 PROPERTY, if necessary, the PERIOD OF RESTORATION shall be increased to allow for additional time to upgrade the damaged property plus up to an additional two-week period to meet the requirements set forth in 4.b.

2. Coverage Section A: NON-LEED Certified Coverage

In the event of direct physical loss or damage by any of the perils covered by the PART 1 PROPERTY to a building that is not LEED certified at the time of the loss, or to the personal property within such a building, the **Pool** will pay to repair or replace damaged or destroyed:

- a. Loss Settlement for Personal Property

- (i) **Appliances or Office Equipment** with products of like kind and quality that have been identified as ENERGY STAR® or equivalent products of such energy efficiency. If there are no such products available at the time of the loss, this upgrade coverage does not apply.
- (ii) **Systems Furniture or Seating**, with products of like kind and quality that are certified as GREENGUARD Indoor Air Quality Certified® or products with similar emissions characteristics. If there are no such products available at the time of the loss, this upgrade coverage does not apply.

b. Loss Settlement for Building

- (i) Interior Finish Materials Upgrade
- (A) Lower Emissions Products Upgrade Coverage

Defined Building Materials with products of like kind and quality that have **Lower Emissions**. If there are no such products available at the time of the loss, this upgrade coverage does not apply.

- (B) Environmentally Preferable Products Upgrade Coverage

Interior wood, carpeting and flooring with products of like kind and quality that have **Lower Emissions**, are **Sustainably Produced**, are **Rapidly Renewable** or include **Recycled Content**. If there are no such products available at the time of the loss, this upgrade coverage does not apply.

- (ii) Interior Plumbing Systems Upgrade Coverage

Interior plumbing fixtures including, but not limited to, toilets, shower heads and lavatory faucets with products of like kind and quality that are more **Water Efficient**. If there are no such products available at the time of the loss, this upgrade coverage does not apply. For damaged or destroyed faucets, the **Pool** will also pay to install occupant sensors to reduce the potable water demand.

- (iii) Lighting Systems Upgrade Coverage

Lighting systems, with products of like kind and quality that have been identified as ENERGY STAR® or equivalent products of such energy efficiency. If there are no such products available at the time of the loss, this upgrade coverage does not apply. The **Pool** will also pay to repair or replace damaged light bulbs with light bulbs which have low mercury content.

- (iv) Efficient Heating and Cooling Equipment Upgrade Coverage

Heating and Cooling Equipment with products of like kind and quality that have been identified as ENERGY STAR® or equivalent products of such energy efficiency. If there are no such products available at the time of the loss, this upgrade coverage does not apply.

- (v) Building Reconstruction Following Total Loss
- (A) Solely with respect to a **Total Loss** to a building, the **Pool** will pay to replace the building on its existing foundation using the most cost effective techniques, products and materials that should satisfy the prerequisites and earn the minimum number of points required to qualify for LEED Silver certification using the LEED New Construction (LEED NC®) Rating System.
- (B) Certification Expenses
- (1) The **Pool** will pay the reasonable and necessary registration and certification fees charged by the United States Green Building Council (USGBC) that the **Member** incurs should the **Member** decide to seek LEED Silver certification. However, the **Pool** will not pay to modify the reconstructed structure if it is not certified.
- (2) The Sublimit of coverage for Certification Expenses is \$25,000.

3. Coverage Section B: LEED Certified Coverage

In addition to all coverages provided in Coverage Section A (with the exception of 2.b.(v) Building Reconstruction Following a **Total Loss**) and in the event of direct physical loss or damage by any of the perils covered by the PART 1 PROPERTY to a building that is LEED certified at the time of the loss, or to the personal property within such building, the **Pool** will pay to repair or replace damaged or destroyed:

- a. Loss Settlement for Trees, Shrubs, and Vegetative Roofs
 - (i) Trees and shrubs planted specifically to secure the Heat Island Effect: Non-Roof point as described in LEED NC®. For the purposes of this coverage only, notwithstanding any other provision of the PART 1 PROPERTY to the contrary, trees and shrubs are COVERED PROPERTY. The Sublimit of coverage for this coverage is \$3,000 per tree or \$3,000 per shrub up to a maximum of \$25,000.
 - (ii) Vegetative roofs on LEED certified buildings. Notwithstanding any other provision of the PART 1 PROPERTY to the contrary, vegetative roofs are COVERED PROPERTY.
- b. Loss Settlement for Building
 - (i) Recertification Expenses

- (A) In the event of direct physical loss or damage by any of the perils covered by the PART 1 PROPERTY that necessitates recertification of the damaged building, the **Pool** will pay the reasonable and necessary registration and certification fees charged by the USGBC that the **Member** incurs as a result of the recertification process.
- (B) The Sublimit of coverage for Recertification Expenses is \$25,000.
- (ii) Building Reconstruction Following **Total Loss**
 - (A) Solely with respect to a **Total Loss** to a building that is LEED certified at the time of the loss, the **Pool** will pay to replace the building on its existing foundation using the most cost effective techniques, products and materials that would satisfy the prerequisites and should earn the minimum number of points required to qualify for LEED certification at one level above the certification in effect at the time of the loss using the LEED NC® Rating System.
 - (B) Certification Expense
 - (1) The **Pool** will pay the reasonable and necessary registration and certification fees charged by the USGBC that the **Member** incurs should the **Member** decide to seek LEED certification. However, the Pool will not pay to modify the reconstructed structure if it is not certified.
 - (2) The Sublimit of coverage for Certification Expense is \$25,000.
- 4. **Coverages Included Within Coverage Sections A or B and Applicable to LEED® and NON-LEED® Certified Buildings**

In the event of direct physical loss or damage by any of the perils covered by the PART 1 PROPERTY to a LEED or Non-LEED certified building:

- a. Recycling Expenses
 - (i) The **Pool** will pay the **Member's** expenses to clean-up, sort, segregate, and transport debris from the **Member's** damaged building to recycling facilities, if such debris can be recycled.
 - (ii) The Sublimit of coverage for Recycling Expenses is \$25,000 and is in addition to the DEBRIS REMOVAL expense sublimit provided by the PART 1 PROPERTY, if any.
 - (iii) Any income or remuneration derived from this recycling shall be used to reduce the loss.
- b. Air Testing and Outdoor Air Ventilation of the Reconstructed Space

- (i) In accordance with the requirements for the Construction IAQ Management Plan:

Before Occupancy Credit as described in the LEED NC® rating system (hereinafter, "Construction IAQ"), the **Pool** will pay to conduct air testing and a building flush-out (if required because of a failure to meet air quality standards set forth in the Construction IAQ) and follow-up air testing for a total period of time not to exceed two weeks.

- (ii) After the two week period of increased outdoor air ventilation of the reconstructed space, the **Pool** will pay to replace the filtration media with new media.
- (iii) The Sublimit of Coverage for Air Testing and Outdoor Air Ventilation of the Reconstructed Space is \$25,000.

c. Professional Services

The **Pool** will pay reasonable and necessary expenses to hire a LEED Accredited architect or engineer to participate in the design and/or construction administration of the damaged portion of the building or the entire building, whichever is applicable.

The Sublimit of coverage for this Professional Services is \$50,000.

d. Building Commissioning Expenses

- (i) In the event of direct physical loss or damage to mechanical, electrical, or electronic building systems, by any of the perils covered by the PART 1 PROPERTY, which necessitates the commissioning or re-commissioning of those systems, the **Pool** will pay reasonable and necessary expenses of a Professional Engineer to commission or re-commission those damaged systems in accordance with LEED protocols.
- (ii) The Sublimit of coverage for Building Commissioning Expenses is \$25,000.

5. Additional Definitions

- a. Appliances** means products including, but not limited to, dishwashers, refrigerators, freezers, ovens, microwave ovens, room air conditioners, room air cleaners and water heaters.

b. Defined Building Materials means:

- (i) All carpet and floor coverings, including, adhesives to affix them to the floor;
- (ii) All interior paints, architectural coatings, primers, undercoatings, adhesives, sealants; and
- (iii) Permanently installed composite wood fixtures, including, counters, cabinets, and partitions.

- c. **Energy Star** means any product that has been identified by the United States Government Department of Energy, Environmental Protection Agency as ENERGY STAR qualified at the time of the loss.
- d. **Heating And Cooling Equipment** means products including, but not limited to, heat pumps, boilers, central air conditioning, ceiling fans, dehumidifiers, exhaust fans, furnaces, thermostats, and ventilating fans.
- e. **Lower Emissions** means:
 - (i) With respect to adhesive and sealant products, such as, general construction adhesives, flooring adhesives, fire-stopping sealants, caulking, duct sealants, plumbing adhesives, and cove base adhesives, products that meet the requirements of South Coast Air Quality Management District (SCAQMD) Rule #1168; with respect to aerosol adhesives, products that meet Green Seal Standard GS-36 requirements;
 - (ii) With respect to architectural paints, coatings, and primers, products that do not exceed the volatile organic compound (VOC) content limits established in Green Seal Standard GS-11, with respect to anti-corrosive and anti-rust paints, products that do not exceed the VOC content limits established in Green Seal Standard GS-03; and with respect to clear wood finishes, floor coatings, stains, and shellacs, products that do not exceed the VOC content limits established by SCAQMD Rule #1113;
 - (iii) With respect to carpet and carpet cushion, products that meet the requirements of the Carpet and Rug Institute's Green Label Plus Program; and
 - (iv) With respect to composite wood and agrifiber products such as particleboard, medium density fiberboard (MDF), plywood, wheatboard, strawboard, panel substrates and door cores as well as laminating adhesives used to fabricate on-site and shop-applied composite wood and agrifiber assemblies, products that contain no added urea-formaldehyde resins.
- f. **Office Equipment** means electronic products including, but not limited to, desktop computers, laptop computers, monitors, printers, fax machines, scanners, copiers, and telephones.
- g. **Recycled Content** means those products that contain at least 20% post- consumer **Recycled Content**.
- h. **Rapidly Renewable** means products that are made from plant resources that are harvested within a ten-year cycle or shorter, including, but not limited to, bamboo, eucalyptus, wheat straw, sunflower hulls, cork oak, wheatboard, linoleum, and sorghum.
- i. **Seating** means task and guest chairs used with SYSTEM FURNITURE.

- j. Sustainably Produced** means those products certified by the Forest Stewardship Council ("FSC").
- k. System Furniture** means either a panel-based workstation comprised of modular interconnecting panels, hang-on components and drawer/filing components of a freestanding grouping of furniture items and their components that have been designed to work in concert.
- l. Total Loss** means:

 - (i) The covered building is completely destroyed regardless of whether any damage is done to the foundation or slab, or
 - (ii) The covered building is in such condition after the loss that the standard method of rebuilding or repairing the covered building is to raze the structure except for the foundation or slab or including all or part of the foundation or slab and rebuild the entire structure, whether such structure is actually rebuilt or not.
- m. Water Efficient** means dry fixtures such as composting toilet systems and non-water using urinals, flush toilets using no more than 1.6 gallons of water per flush, and shower heads and faucets with a flow rate of no more than 2.2 gallons per minute.

EQUIPMENT BREAKDOWN AMENDMENT

This amendment's intention is to clarify that the peril of **Breakdown** is included for **Covered Equipment**.

1. Limit of Coverage:

The most the **Pool** will pay for any and all coverages for loss or damage from any **One Breakdown** is the applicable Limit of Coverage shown for Equipment Breakdown in the LIMITS OF COVERAGE clause of the SECTION A DECLARATIONS.

2. Equipment Breakdown Coverage Extensions:

The LIMITS FOR COVERAGE extensions are part of, not in addition to, the LIMIT OF COVERAGE for Equipment Breakdown shown in the LIMITS OF COVERAGE clause of the SECTION A DECLARATIONS.

a. Spoilage:

- (i) This PART 1 PROPERTY covers the spoilage damage to raw materials, property in process or finished products, provided all of the following conditions are met:
 - (A) The raw materials, property in process or finished products must be in storage or in the course of being manufactured;
 - (B) The **Member** must own or be legally liable under written contract for the raw materials, property in process or finished products;
 - (C) The spoilage damage must be due to the lack or excess of power, light, heat, steam or refrigeration.
- (ii) This PART 1 PROPERTY also covers any necessary expenses the **Member** incurs to reduce the amount of loss under this coverage. The **Pool** will pay such expenses to the extent that they do not exceed the amount of loss that otherwise would have been payable under this coverage form.

b. Service Interruption:

This PART 1 PROPERTY covers loss resulting from the interruption of utility services provided all of the following conditions are met:

- (i) The interruption is the direct result of a **Breakdown** to **Covered Equipment** owned, operated or controlled by the local private or public utility or distributor that directly generates, transmits, distributes or provides utility services which the **Member** receives;

- (ii) The **Covered Equipment** is used to supply electricity, telecommunication services, air conditioning, heating, gas, fuel, sewer, water, refrigeration or steam to the **Member's** premises;
- (iii) The **Period of Service Interruption** lasts at least the consecutive period of time shown in item 9. **Waiting Period**. Once this **Waiting Period** is met, coverage will commence at the initial time of the interruption and will be subject to all applicable deductibles.

c. Business Income:

- (i) This PART 1 PROPERTY covers the **Member's** actual loss of business income that results directly from the necessary total or partial interruption of the **Member's** business caused by a **Breakdown**.
- (ii) This PART 1 PROPERTY also covers any necessary expenses the **Member** incurs to reduce the amount of loss under this coverage. The **Pool** will pay for such expenses to the extent that they do not exceed the amount of loss that otherwise would have been payable under this coverage.
- (iii) The **Pool** will consider the actual experience of the **Member's** business before the accident and the probable experience the **Member** would have had without the accident in determining the amount of its payment.
- (iv) This coverage continues until the date the damaged property is repaired or replaced.

d. EXPEDITING COSTS:

This PART 1 PROPERTY covers the reasonable and necessary costs incurred to pay for the temporary repair of **Member** damage to **Covered Equipment** and to expedite the permanent repair or replacement of such damaged property caused by a **Breakdown**.

This coverage extension does not cover costs:

- (i) Recoverable elsewhere in this PART 1 PROPERTY; or
- (ii) Of permanent repair or replacement of damaged property.

e. Hazardous Substance:

This PART 1 PROPERTY covers any additional expenses incurred by the **Member** for the clean-up, repair or replacement or disposal of **Covered Equipment** that is damaged, contaminated or polluted by a **Hazardous Substance** caused by a **Breakdown**.

As used here, additional expenses mean the additional cost incurred over and above the amount that the **Pool** would have paid had no **Hazardous Substance** been involved with the loss.

f. Ammonia Contamination:

This PART 1 PROPERTY covers the spoilage to **Covered Equipment** contaminated by ammonia, including any salvage expense caused by a **Breakdown**.

g. Water Damage:

This PART 1 PROPERTY covers the damage to **Covered Equipment** by water including any salvage expenses caused by a **Breakdown**, except no coverage applies to such damage resulting from leakage of a sprinkler system or domestic water piping.

h. Consequential Loss:

The PART 1 PROPERTY covers the reduction in the value of undamaged **Stock** parts of a product which becomes unmarketable. The reduction in value must be caused by a physical loss or damage to another part of the product.

i. Electronic Data and Media:

The PART 1 PROPERTY covers the **Member's** cost to research, replace or restore damaged **Electronic Data and Media** including the cost to reprogram instructions used in any computer equipment if the loss is caused by a **Breakdown**.

j. CFC Refrigerants:

This PART 1 PROPERTY covers the additional cost to repair or replace **Covered Equipment** because of the use or presence of a refrigerant containing CFC (chlorinated fluorocarbon) substances if the loss is caused by a **Breakdown**. This means the additional expense to do the least expensive of the following:

- (i) Repair the damaged property and replace any lost CFC refrigerant;
- (ii) Repair the damaged property, retrofit the system to accept a non-CFC refrigerant and charge the system with a non-CFC refrigerant; or
- (iii) Replace the system with one using a non-CFC refrigerant.

k. Computer Equipment:

This PART 1 PROPERTY covers direct damage to **Computer Equipment** that is damaged by a **Breakdown** to such equipment.

3. Definitions relating only to this amendment:

a. **Breakdown** means the direct physical loss resulting from one or more of the following items that causes damage to **Covered Equipment** and necessitates its repair or replacement:

- (i) Failure of pressure or vacuum equipment;
- (ii) Mechanical failure including rupture or bursting caused by centrifugal force;
- (iii) Electrical failure including arcing;
- (iv) Explosion of steam boilers, steam piping, steam engines or steam turbines owned or leased by you, or operated under your control;
- (v) Loss or damage to steam boilers, steam pipes, steam engines or steam turbines caused by or resulting from any condition or event inside such equipment; or
- (vi) Loss or damage to hot water boilers or other water heating equipment caused by or resulting from any condition or event inside such boilers or equipment.

Unless such loss or damage is otherwise excluded within the PART 1 PROPERTY.

Breakdown does not mean or include:

- (i) Malfunction including but not limited to adjustment, alignment, calibration, cleaning or modification;
- (ii) Defects, erasures, errors, limitations or viruses in computer equipment and programs including the inability to recognize and process any date or time or provide instructions to **Covered Equipment**;
- (iii) Leakage at any valve, fitting, shaft seal, gland packing, joint or connection;
- (iv) Damage to any vacuum tube, gas tube, or brush;
- (v) Damage to any structure or foundation supporting the **Covered Equipment** or any of its parts;
- (vi) The functioning of any safety or protective device; or
- (vii) The cracking of any part on an internal combustion gas turbine exposed to the products of combustion.

b. Covered Equipment is defined as:

- (i) Equipment built to operate under internal pressure or vacuum other than weight of contents;
- (ii) Electrical or mechanical equipment that is used in the generation, transmission or utilization of energy; and
- (iii) Communication equipment, and computer equipment.

Covered Equipment does not mean or include any:

- (i) Part of pressure or vacuum equipment that is not under internal pressure of its contents or internal vacuum;
- (ii) Insulating or refractory material, but not excluding the glass lining of any **Covered Equipment**;
- (iii) Non-metallic pressure or vacuum equipment, unless it is constructed and used in accordance with the American Society of Mechanical Engineers (A.S.M.E.) code or another appropriate and approved code;
- (iv) Catalyst;
- (v) Vessels, piping and other equipment that is buried below ground and requires the excavation of materials to inspect, remove, repair or replace;
- (vi) Structure, foundation, cabinet or compartment supporting or containing the **Covered Equipment** or part of the **Covered Equipment** including penstock, draft tube or well casing;
- (vii) **Vehicle, Mobile Equipment**, aircraft, self-propelled equipment or floating vessel including any **Covered Equipment** that is mounted upon or used solely with anyone or more **Vehicle(s), Mobile Equipment**, aircraft, self-propelled equipment or floating vessel;
- (viii) Dragline, excavation, or construction equipment including any **Covered Equipment** that is mounted upon or used solely with any one or more dragline(s), excavation, or construction equipment;
- (ix) Felt, wire screen, die, extrusion plate, swing hammer, grinding disc, cutting blade, non-electrical cable, chain, belt, rope, clutch plate, brake pad, non-metal part or any part or tool subject to periodic replacement;

- (x) Equipment or any part of such equipment manufactured by the **Member** for sale; or
- (xi) Equipment used to produce power or gas for distribution to third parties.
- c. **Hazardous Substance:** any substance other than ammonia that has been declared to be hazardous to health by a government agency. Ammonia is not considered to be a Hazardous Substance as respects this limitation.
- d. **One Breakdown:** if an initial **Breakdown** causes other **Breakdowns**, all will be considered **One Breakdown**. All **Breakdowns** at any one premises that manifest themselves at the same time and are the direct result of the same cause will be considered **One Breakdown**.
- e. **Computer Equipment:** COVERED PROPERTY that is electronic computer or other electronic data processing equipment, including media and peripherals used in conjunction with such equipment.
- f. **Stock:** means merchandise held in storage or for sale, raw materials, property in process or finished products including supplies used in their packing or shipping.

PART VI CRIME COVERAGE SECTION

A. Joint Government Crime Policy

In accordance with the UCIP Interlocal Agreement, the Pool jointly purchases on behalf of the Members a Government Crime Policy, listing each of the individual Members as Additional Insured. The jointly purchased Government Crime Policy is attached to this Addendum as Appendix I.

B. Coverage Description

The POOL will indemnify the MEMBER for loss covered by the joint Government Crime Policy to the Limit of Coverage shown in this Coverage Part. Any loss not covered by the Government Crime Policy for any reason other than the loss did not exceed the deductible of the Government Crime Policy is considered an excluded claim under this Coverage Part.

C. Limit of Coverage

The most the POOL will pay as the result of any one loss is limited to the amount described as the Deductible Amount in the joint Government Crime Policy, less the amount of the MEMBER's maintenance deductible.

D. Member Maintenance Deductible

The Member Maintenance Deductible for this Coverage Part is \$500.00 per occurrence as defined by the joint Government Crime Policy.

E. Claims

Members shall report any claim to the Pool in accordance with the Claims provision of Part II General Coverage Conditions of this Addendum. The Pool will assist Members with the reporting and adjusting of claims under the joint Governmental Crime Policy.

F. Recoveries

Any recoveries, less the cost of obtaining them, made after settlement of loss covered by this Coverage Part will be distributed as follows:

1. To the MEMBER, until the MEMBER is reimbursed for any loss that it sustains that exceeds the Limit of Coverage provided by the joint Government Crime Policy;
2. Then to the issuer of the joint Government Crime Policy, until the issuer is reimbursed in accordance with the Recoveries condition of the joint Government Crime Policy;
3. Then to the POOL, until the POOL is reimbursed for the amount paid to the Member under this Coverage Part for the loss; and

4. Then to the MEMBER, until the MEMBER is reimbursed for that part of the loss equal to the Member Maintenance Deductible amount, if any.
5. Recoveries do not include any recovery:
 - a. From insurance, suretyship, reinsurance, security, or indemnity taken for the POOL's benefit; or
 - b. Of original SECURITIES after duplicates of them have been issued.

PART VII LIABILITY COVERAGE SECTION

A. General Liability

1. Coverage Agreements

- a.** The POOL agrees to indemnify the COVERED PARTY for those sums that the COVERED PARTY becomes legally obligated to pay as MONEY DAMAGES because of BODILY INJURY, PROPERTY DAMAGE, PERSONAL INJURY or LAW ENFORCEMENT PERSONAL INJURY to which this coverage applies. The BODILY INJURY, PERSONAL INJURY or LAW ENFORCEMENT PERSONAL INJURY or PROPERTY DAMAGE must be caused by an OCCURRENCE. This coverage includes but is not limited to HOST/LIQUOR LIABILITY, PRODUCTS LIABILITY, COMPLETED OPERATIONS, INCIDENTAL MALPRACTICE (see Limited Professional Health Care Services Endorsement) and LAW ENFORCEMENT ACTIVITIES.
- b.** Notwithstanding the Agreements above, the POOL shall not be liable to pay on behalf of or indemnify the COVERED PARTY for any sum which the COVERED PARTY shall be obligated to pay if a judgment or final adjudication in any action brought against the COVERED PARTY shall be based on a determination that acts of fraud or dishonesty were committed by the COVERED PARTY, or if in a criminal proceeding a plea of guilty, nolo contendere, no contest or any similar plea is made by the COVERED PARTY.

Coverage for BODILY INJURY, PROPERTY DAMAGE, PERSONAL INJURY, or LAW ENFORCEMENT PERSONAL INJURY under this Section is provided on a claims-made basis, as described in Part II. A. of this ADDENDUM.

2. Definitions that Apply to General Liability

“COMPLETED OPERATIONS” means BODILY INJURY or PROPERTY DAMAGE arising out of operations or reliance upon a representation or warranty made at any time with respect thereto, but only if the BODILY INJURY or PROPERTY DAMAGE occurs after the operations have been completed or abandoned and occurs away from premises owned by or rented to the MEMBER. Operations include materials, parts or equipment furnished in connection therewith.

- a.** Operations shall be deemed completed at the earliest of the following times:
 - (i)** When all operations to be performed by or on behalf of the MEMBER under the contract have been completed, or
 - (ii)** When all operations to be performed by or on behalf of the MEMBER at the site of the operations have been completed if the contract calls for operations at more than one site, or

- (iii) When the portion of the work out of which the injury or damage arises has been put to its intended use by any person or organization other than another contractor or subcontractor engaged in performing operations for a principal as a part of the same project.
- b. Operations which may require further service or maintenance work, or correction, repair or replacement because of any defect or deficiency, but which are otherwise complete, shall be deemed completed.

“DAM” means any artificial barrier together with appurtenant works, which does or may impound or divert water and which is (a) twenty five feet or more in height from the natural bed of the stream or watercourse at the downstream toe of the barrier, or from the lowest elevation of the outside limit of the barrier, if it is not across a stream channel or watercourse, to the maximum possible water storage elevation; and (b) has an impounding capacity of fifteen acre feet or more.

“HOST/LIQUOR LIABILITY” means indemnification for the COVERED PARTY’s liability for the sale or distribution of alcoholic beverage.

“INCIDENTAL MALPRACTICE” means emergency medical services rendered or which should have been rendered to any person or persons (other than employees of the MEMBER injured during the course of their employment) by any duly qualified medical practitioner, nurse, technician or other employee while employed by and acting on behalf of the MEMBER. This coverage does not apply to persons rendering medical care pursuant to a contract with the MEMBER.

“LAND SUBSIDENCE” means the movement of land or earth, including, but not limited to, sinking or settling of land, earth movement, earth expansion and/or contraction, landslide, slipping, falling away, caving in, eroding, earth sinking, and earth rising or shifting or tilting.

“PRODUCTS LIABILITY” means BODILY INJURY or PROPERTY DAMAGE arising out of the MEMBER’s products or reliance upon a representation or warranty made at any time with respect thereto, but only if the BODILY INJURY or PROPERTY DAMAGE occurs away from premises owned by or rented to the MEMBER and after physical possession of such products has been relinquished to others.

3. Exclusions Applicable to General Liability

In addition to the General Exclusions of this COVERAGE ADDENDUM, this Section does not apply to:

- a. Any CLAIM for DAMAGES, whether direct or consequential, or for any cause of action which is covered under any other Section of this ADDENDUM.
- b. BODILY INJURY, PERSONAL INJURY, LAW ENFORCEMENT PERSONAL INJURY or PROPERTY DAMAGE intended or expected from the standpoint of the COVERED PARTY. This exclusion does not apply to BODILY INJURY, PERSONAL

INJURY OR LAW ENFORCEMENT PERSONAL INJURY resulting from the use of reasonable force to protect persons or property.

- c. DAMAGES claimed for any loss, cost or expense incurred by the MEMBER or any other person for the withdrawal, inspection, repair, replacement, or loss of use of the MEMBER's products or work completed by or on behalf of the MEMBER or of any property of which such products or work form a part, if such products, work or property are withdrawn from the market, or from use, because of any known or suspected defect or deficiency therein.
- d. BODILY INJURY, PROPERTY DAMAGE, PERSONAL INJURY, LAW ENFORCEMENT PERSONAL INJURY or any other DAMAGES whatsoever caused by the maintenance, operation, loading or unloading, entrustment to others or use of an AUTOMOBILE. This exclusion applies even if the CLAIMs against any COVERED PARTY allege negligence or other wrongdoing in the supervision, hiring, employment, training, or monitoring of others by that COVERED PARTY.
- e. Any investigatory, disciplinary or criminal proceedings against an individual COVERED PARTY except that the POOL may at its own option assign counsel in the defense of any such investigatory, administrative or disciplinary proceeding. Should the POOL elect to assign counsel, it shall not constitute a waiver or estoppel of any rights the POOL may have pursuant to the terms, conditions, exclusions, and limitations of this ADDENDUM.
- f. To any CLAIM arising out of a breach of contract.
- g. To medical or hospital expenses or costs incurred by the MEMBER in providing or furnishing medical aid or treatment to an inmate or detainee at a jail or correctional facility as a result of the MEMBER's statutory or constitutional obligation to furnish medical or hospital care to an inmate or detainee within its physical custody; this exclusion does not apply to CLAIMs brought by an inmate alleging the MEMBER, through the acts or omissions of its representatives or employees, caused injury to an inmate or violated his constitutional or civil rights by not providing medical care or treatment.
- h. EMPLOYMENT RELATED PRACTICES.
- i. Any CLAIM made against a COVERED PARTY in his or her personal capacity.
- j. MOBILE EQUIPMENT while used in any professional or organized racing or demolition contest or stunting activity or while practicing for such contest or activity or being prepared for such contest or activity.
- k. PROPERTY DAMAGE arising from LAND SUBSIDENCE, except as sublimited in the Limit of Coverage Section below.

- I. BODILY INJURY, PERSONAL INJURY, OR PROPERTY DAMAGE arising out of the rupture, bursting, over-topping, flooding, cracking, seepage, under-seepage, accidental discharge or partial or complete structural failure of a DAM, except as sublimited in the Limit of Coverage Section below.

4. Limits of Coverage

- a. The Limits of Coverage shown in the Member Schedule of Liability Limits and Sublimits set forth the most the POOL will pay regardless of the number of:
 - (i) COVERED PARTIES;
 - (ii) CLAIMS made or SUITS brought; or
 - (iii) Persons or organizations making CLAIMS or bringing SUITS.
- b. The POOL's obligation to indemnify as the result of any one OCCURRENCE is limited as described in the MEMBER Schedule of Liability Limits and Sublimits, less the amount of the MEMBER's deductible.

B. Public Officials Errors and Omissions Liability

1. Coverage Agreements

- a. The POOL agrees, subject to the limitations, terms and conditions of this ADDENDUM, to defend any SUIT and indemnify the COVERED PARTY all DAMAGES the COVERED PARTY becomes legally obligated to pay by reason of any CLAIM arising out of any WRONGFUL ACT. Coverage for Public Officials Errors and Omissions Liability under this Section is provided on a claims-made basis, as described in Section II. A. of this ADDENDUM.
- b. The POOL will indemnify the COVERED PARTY for the cost of attachment or similar bonds (but without any obligation on the part of the POOL to apply for or furnish such bonds), and costs, charges and expenses incurred in connection with any governmental investigation provided that a CLAIM is brought against the COVERED PARTY for a WRONGFUL ACT that is or was a subject of the governmental investigation, and that CLAIM is otherwise covered by this ADDENDUM.

2. Exclusions Applicable to Errors and Omissions Liability

In addition to the General Exclusions of this COVERAGE ADDENDUM, this Section shall not apply to any CLAIM made against the COVERED PARTY:

- a. Based upon or attributable to them gaining in fact any personal profit or advantage to which the COVERED PARTY was not legally entitled including remuneration paid in violation of law as determined by a court.

- b.** Arising out of the deliberate violation of any federal, state, or local statute, ordinance, rule, or regulation committed by or with the knowledge and consent of the MEMBER.
- c.** Based upon or attributable to the rendering or failure to render any opinion, treatment, consultation or service if that opinion, treatment, consultation or service was rendered or failed to have been rendered while the COVERED PARTY was engaged in any activity for which they received compensation from any source other than as a governmental subdivision or an employee of a governmental subdivision.
- d.** Arising out of estimates of probable costs or cost estimates being exceeded or for faulty preparation of bid specifications or plans or to injury to, destruction or disappearance of any tangible property (including MONEY) or the loss of use thereof.
- e.** Arising out of the failure to supply a specific amount of electrical power or fuel arising out of the interruption of the electrical power or fuel supply.
- f.** For which the COVERED PARTY is entitled to indemnity and/or payment by reason of having given notice of any circumstances which might give rise to a CLAIM under any agreement or agreements the term of which has commenced prior to the inception date of this ADDENDUM.
- g.** Arising out of or in any way involving any employee benefit plan of the MEMBER.
- h.** Covered under the General Liability Section or any other Section of this ADDENDUM.
- i.** Arising out of a breach of contract other than an implied-in-fact employment contract.
- j.** Resulting from a WRONGFUL ACT which commences prior to the RETROACTIVE DATE shown on the Errors and Omissions Retroactive Dates Endorsement.
- k.** For back pay, overtime pay or other incidents of compensation or benefits due to a MEMBER's employees.
- l.** For any liability arising out of the providing of, or failure to provide, professional services by any lawyer, architect, engineer, or accountant.
- m.** Arising from any debt financing, including but not limited to bonds, notes, debentures and guarantees of debt.
- n.** Arising from improperly collected taxes.
- o.** Arising from the COVERED PARTY's activities in a fiduciary capacity or as a trustee or in any similar capacity including, but not limited to, duties, responsibilities or obligations in connection with any employee benefit plan or pension plan.

3. Limits of Coverage

- a.** The Limits of Coverage shown in the Member Schedule of Liability Limits and Sublimits set forth the most the POOL will indemnify regardless of the number of:
 - (i)* COVERED PARTIES;
 - (ii)* CLAIMS made or SUITS brought; or
 - (iii)* Persons or organizations making CLAIMS or bringing SUITS.
- b.** The POOL's obligation to indemnify as the result of any one WRONGFUL ACT is limited as described in the Member Schedule of Liability Limits and Sublimits, less the amount of the MEMBER's deductible.
- c.** CLAIMS or SUITS based on or arising out of the same act or interrelated acts of one or more COVERED PARTIES will be considered to be based on a single WRONGFUL ACT for purposes of determining the Limits of Coverage, irrespective of the time or area over which the acts occur.

C. Employee Benefits Liability

1. Coverage Agreements

In consideration of the MEMBER contribution charged and subject to the terms, exclusions and definitions of this ADDENDUM, the POOL agrees to indemnify the COVERED PARTY for any DAMAGES which the COVERED PARTY shall become legally obligated to pay as a result of any negligent act, error or omission by the COVERED PARTY, or any other person for whose acts the COVERED PARTY is legally liable, committed in the ADMINISTRATION of the MEMBER's EMPLOYEE BENEFIT PROGRAMS as defined in this Section. Coverage for Employee Benefits Liability under this Section is provided on a claims-made basis, as described in Part II. A. of this ADDENDUM.

2. Definitions

"EMPLOYEE BENEFIT PROGRAMS" means group life insurance or self- insurance, group health insurance or self-insurance, profit sharing plans, pension plans, employee stock subscription plans, workers compensation, unemployment insurance, social security, disability benefits insurance or self-insurance and travel, savings or vacation plans.

The unqualified word "ADMINISTRATION" wherever used means:

- a.** Giving counsel to employees with respect to the EMPLOYEE BENEFITS PROGRAM;
- b.** Interpreting the EMPLOYEE BENEFIT PROGRAMS;

- c. Handling records in connection with the employee benefits program; or
- d. Effecting the enrollment, termination or cancellation of employees under the EMPLOYEE BENEFITS PROGRAMS;
- e. provided all such acts are authorized by the MEMBER.

3. Exclusions Applicable to Employee Benefits Liability

In addition to the general exclusions of this COVERAGE ADDENDUM, Employee Benefits Liability does not apply to:

- a. Any dishonest, fraudulent, criminal or malicious act, libel, slander, discrimination or humiliation.
- b. BODILY INJURY, PERSONAL INJURY or PROPERTY DAMAGE.
- c. Any CLAIM for failure of performance of contract by any insurer, including failure of any employee benefit program.
- d. Any CLAIM based upon the COVERED PARTY's failure to comply with any law concerning workers' compensation, unemployment insurance, social security or disability benefits or any similar law.
- e. Any CLAIM based upon:
 - (i) Failure of any investment to perform as represented by any COVERED PARTY;
 - (ii) Advice given by a COVERED PARTY to an employee to participate or not to participate in stock subscription plans or any other plan included in an EMPLOYEE BENEFIT PROGRAM;
 - (iii) The investment or non-investment of funds; or
 - (iv) Errors in providing information on past performance of any investment vehicle.
 - (v) Legal advice or investment advice given to an employee or an employee's beneficiaries.
 - (vi) The performance of any investment;
 - (vii) Termination of any plan including an EMPLOYEE BENEFIT PLAN;
 - (viii) An act or omission of a third-party administrator or other person, other than a COVERED PARTY, who administers any plan in an EMPLOYEE BENEFIT PROGRAM.
- f. Any CLAIM arising out of an insufficiency of funds to meet any obligations under any

EMPLOYEE BENEFIT PROGRAM.

- g.** Any CLAIM arising out of liability imposed on a fiduciary by the Employee Retirement Income Security Act of 1974, as now or hereafter amended, or any similar federal, state, or local laws.
- h.** Any liability arising out of taxes, fines, or penalties, including those imposed under the Internal Revenue Code or any similar state or local law.
- i.** Any CLAIM arising out of wrongful termination of employment, discrimination, or other employment-related practices.

4. Bankruptcy or Insolvency

In the event of bankruptcy or insolvency of the MEMBER, such bankruptcy or insolvency may not diminish the coverage provided by this Section regarding third parties. If execution against the MEMBER is returned unsatisfied, an action may be maintained against the POOL to the extent that the liability is covered by this Section.

5. Limits of Coverage

- a.** The Limits of Coverage of this ADDENDUM and the rules below fix the most the POOL will pay regardless of the number of:
 - (i)* COVERED PARTIES;
 - (ii)* CLAIMS made or SUITS brought; or
 - (iii)* Persons or organizations making CLAIMs or bringing SUITS.
- b.** The POOL's obligation to indemnify as the result of any one act, error, or omission is limited as described in the Member Schedule of Liability Limits and Sublimits, less the amount of the MEMBER's deductible.
- c.** CLAIMs or SUITS based on or arising out of the same act, error, or omission or interrelated acts, errors, or omissions of one or more COVERED PARTIES will be considered to be based on a single act for purposes of determining the Limits of Coverage, irrespective of the time or area over which the acts occur.

PART VIII AUTOMOBILE LIABILITY SECTION

A. Coverage Agreements

The POOL agrees to indemnify for those sums, which the COVERED PARTY becomes legally obligated to pay as DAMAGES because of BODILY INJURY or PROPERTY DAMAGE arising out of the ownership, maintenance or use of any MEMBER owned AUTOMOBILE, or HIRED AUTOMOBILE, subject to the limitations, terms and conditions of this COVERAGE ADDENDUM. The CLAIM or lawsuit must be the result of an OCCURENCE and be brought solely by reason of BODILY INJURY or PROPERTY DAMAGE arising out of the ownership, maintenance or use of a MEMBER owned AUTOMOBILE or HIRED AUTOMOBILE.

B. Definitions that Apply to Auto Liability

“COVERED PARTY” means a MEMBER and also includes the following:

1. Under Part VIII A. AUTOMOBILE Liability Section (which describes AUTOMOBILE liability coverage), any person while using an AUTOMOBILE owned by the MEMBER or a HIRED AUTOMOBILE, and any person or organization legally responsible for the use thereof, provided the actual use of the AUTOMOBILE is by any official, trustee, director, officer or employee of the MEMBER or any person using the AUTOMOBILE with the MEMBER’s permission. With respect to the use of NON-OWNED AUTOMOBILES, COVERED PARTY also includes any official, trustee, director, officer or employee of the MEMBER using the NON-OWNED AUTOMOBILE in the business of the MEMBER with the MEMBER’s permission, and the spouse of any official, trustee, director, officer or employee of the MEMBER using the NON-OWNED AUTOMOBILE in the business of the MEMBER with the MEMBER’s permission. Coverage for use of NON-OWNED AUTOMOBILES under this definition is limited to coverage excess of insurance on the NON- OWNED AUTOMOBILE required of the owner of the NON-OWNED AUTOMOBILE. COVERED PARTY does not include, and this coverage, with respect to any person or organization other than the MEMBER, does not apply:
 - a. To any person or organization or to any of their agents or employees operating an AUTOMOBILE sales agency, repair shop, service station, storage garage or public parking place, with respect to any OCCURRENCE arising out of those operations;
 - b. To any employee of a person or organization other than the MEMBER with respect to injury or sickness, disease or death during the course of employment in an OCCURRENCE arising out of the maintenance or use of the AUTOMOBILE in the business of the outside employer;
 - c. With respect to any HIRED AUTOMOBILE, to the owner or lessee, other than the MEMBER, nor to any agent or employee, or that owner or lessee.

“HIRED AUTOMOBILE” means those AUTOMOBILES that a MEMBER leases, hires, rents,

or borrows. This does not include any AUTOMOBILE leased, hired, rented or borrowed from a MEMBER's employees, or members of the employee's households.

"INCIDENTAL, OCCASIONAL PERSONAL USE" means making a personal stop, along the usual route, on the way home, or for a personal break incidental to work. These instances would be the extent of personal use coverage.

"NON-OWNED AUTOMOBILES" means only those AUTOMOBILES a MEMBER does not own, lease, hire, rent or borrow that are owned, leased or rented by the MEMBER'S officials, trustees, directors, officers or employees, or members of their household but only while used in the MEMBER'S business.

C. Exclusions That Apply To Auto Liability

In addition to the general exclusions of this COVERAGE ADDENDUM, this ADDENDUM does not cover:

1. Any CLAIM for DAMAGES or for any cause of action, which is covered under any other Section of this ADDENDUM.
2. Uninsured and/or Underinsured Motorists Liability.
3. BODILY INJURY or PROPERTY DAMAGE expected or intended from the standpoint of the COVERED PARTY.
4. BODILY INJURY to an employee of the MEMBER arising out of and in the course of (a) employment by the MEMBER, or (b) performing duties related to the conduct of the MEMBER's business or BODILY INJURY to any other person arising out of such BODILY INJURY to the employee. This exclusion applies regardless of whether the MEMBER may be liable as an employer or in some other capacity and to any obligation to share DAMAGES with or repay someone else who must pay DAMAGES because of the injury.
5. BODILY INJURY to any fellow employee of the COVERED PARTY arising out of and in the course of the fellow employee's employment or while performing duties related to the conduct of the MEMBER'S business.
6. Covered AUTOMOBILES while used in any professional or organized racing or demolition contest or stunting activity or while practicing for such contest or activity or being prepared for such contest or activity.

D. Specific Conditions Auto Liability

1. In the event that liability is incurred by reason of BODILY INJURY suffered by any employee of a MEMBER which does not arise out of the injured employee's employment and for which another COVERED PARTY is liable, then this ADDENDUM shall

indemnify the COVERED PARTY for that liability in the same manner as if separate agreements had been issued to each COVERED PARTY, however this condition shall not operate to increase the Limits of Coverage or create multiple Limits of Coverage provided under this Section on a per OCCURRENCE basis.

2. In the event that liability is incurred by reason of PROPERTY DAMAGE to property belonging to any COVERED PARTY for which another COVERED PARTY is liable, then this ADDENDUM shall indemnify the MEMBER in the same manner as if separate agreements had been issued to each COVERED PARTY, however this condition shall not operate to increase the Limits of Coverage or create multiple Limits of Coverage provided under this Section on a per OCCURRENCE basis.
3. Covered AUTOMOBILES used for personal business which is not INCIDENTAL, OCCASIONAL PERSONAL USE will have payments for BODILY INJURY and PROPERTY DAMAGE adjusted and made in accordance with 63G-7-802, 41-12a, and 31A-22-304.

Nothing contained in these conditions shall operate to increase the POOL's Limits of Coverage.

E. Limits of Coverage

1. Regardless of the number of COVERED PARTIES, CLAIMS made or SUITS brought, covered AUTOMOBILES or vehicles involved in an OCCURRENCE, contributions paid, or persons or organizations making CLAIMS or bringing SUITS, the most the POOL will indemnify for the total of all DAMAGES resulting from any one OCCURRENCE is as described in the Member Schedule of Liability Limits and Sublimits, less the amount of the MEMBER's deductible.
2. All BODILY INJURY and PROPERTY DAMAGE resulting from continuous or repeated exposure to substantially the same conditions will be considered as resulting from one OCCURRENCE.

ERRORS AND OMISSIONS RETROACTIVE DATES ENDORSEMENT

It is understood and agreed that the POOL provides Errors and Omissions coverage for the MEMBER on the following retroactive dates:

| | | | |
|------------------|-----------------|-------------------|-----------------|
| Beaver County | January 1, 1992 | Morgan County | January 1, 2003 |
| Box Elder County | January 1, 1992 | Piute County | January 1, 1992 |
| Daggett County | January 1, 2000 | Rich County | January 1, 1992 |
| Davis County | January 1, 1992 | San Juan County | January 1, 1992 |
| Duchesne County | January 1, 1992 | Sanpete County | January 1, 1992 |
| Emery County | January 1, 1992 | Sevier County | January 1, 1992 |
| Garfield County | January 1, 1992 | Uintah County | January 1, 1992 |
| Iron County | January 1, 1992 | Wasatch County | January 1, 1992 |
| Juab County | January 1, 1993 | Washington County | January 1, 1992 |
| Kane County | January 1, 1992 | Wayne County | January 1, 1992 |
| Millard County | January 1, 1993 | Weber County | January 1, 1998 |

| | |
|--|-------------------|
| Beaver County Municipal Building Authority | January 1, 1992 |
| Box Elder County Redevelopment Agency | January 1, 2016 |
| Box Elder County Special Service District | January 29, 2019 |
| Canyon Land Improvement District | January 1, 2015 |
| Central Utah Public Health Department | July 1, 2003 |
| Daggett County Redevelopment Agency | February 21, 2018 |
| Duchesne County Municipal Building Authority | January 1, 1992 |
| Duchesne/Wasatch Bluebench Landfill Special Service District | August 1, 1998 |
| Emery County Municipal Building Authority | January 1, 1992 |
| Five County Association of Governments | January 1, 2016 |
| Grand County Emergency Medical Services Special Service District | January 1, 2019 |
| Iron County Special Service District #1 | January 1, 1992 |
| Juab Special Service District #2 | January 1, 1993 |
| Juab Special Service Fire District | January 1, 2001 |
| Kane County Municipal Building Authority | January 1, 1992 |
| Kane County Recreation & Transportation Special Service District | January 1, 2015 |
| Multi County Appraisal Trust | May 20, 2019 |
| Piute County Municipal Building Authority | January 1, 1992 |
| Piute Special Service District #1 | October 10, 2017 |
| San Juan Spanish Valley Special Service District | February 12, 2018 |
| San Juan Transportation Special Service District | January 1, 2015 |
| Sanpete County Municipal Building Authority | January 1, 1992 |
| Seven County Infrastructure Coalition | April 14, 2015 |
| Sevier County Municipal Building Authority | January 1, 1992 |
| Southeastern Utah District Health Department | July 1, 2003 |
| Southwest Utah Public Health Department | July 1, 2003 |
| TriCounty Health Department | July 1, 2003 |
| Uintah County Municipal Building Authority | January 1, 1992 |
| Utah Counties Indemnity Pool | January 1, 1992 |

| | |
|--|-----------------|
| Wasatch County Health Department | July 1, 2003 |
| Wasatch County Parks & Recreation Special Service District #21 | April 1, 2016 |
| Wasatch County Solid Waste Disposal District | April 1, 2016 |
| Wasatch County Special Service Area #1 | April 1, 2016 |
| Wasatch County Special Service District #9 | January 1, 2017 |
| Washington County Municipal Building Authority | January 1, 1992 |
| Washington County St. Goerge Interlocal Agency | March 24, 2011 |
| Wayne County Municipal Building Authority | January 1, 1992 |
| Wayne County Special Service District #1 | January 1, 1992 |
| Wayne County Special Service District #3 | April 3, 2018 |
| Wayne County Water Conservancy District | January 1, 1992 |
| Weber County Municipal Building Authority | January 1, 1998 |
| Weber-Morgan Health Department | July 1, 2003 |

Subject otherwise to all terms, clauses and conditions of this ADDENDUM.

PART X EXCESS LIABILITY COVERAGE ENDORSEMENT

The effective date of this endorsement is July 1, 2016.

The ADDENDUM is amended to include Part X, Excess Liability Coverage Section.

A. Follow Form Excess Coverage Agreement

The POOL will provide excess liability coverage with respect to Part VII, Liability Coverage (including Section A, General Liability; Section B, Public Officials Errors and Omissions Liability; and Section C, Employee Benefits Liability) and Part VIII, Automobile Liability (the followed COVERAGE PARTS) in accordance with the same terms, conditions and limitations (including but not limited to the exclusions and notice requirements) as apply to the followed COVERAGE PARTS; provided. However that such excess coverage shall be subject to any terms, conditions and limitations of this Part X that are inconsistent with the terms, conditions or limitations that apply to the followed COVERAGE PARTS.

Excess coverage under this Part X shall attach only after exhaustion of the applicable Limit of Coverage under the followed COVERAGE PARTS. This Part X does not provide excess coverage above any sublimit of liability under the followed COVERAGE PARTS. If payment of amounts subject to a sublimit erode or reduce the Limits of Coverage of a followed COVERAGE PART, this Part X will recognize such erosion or reduction in determining when the excess coverage under this Part X attaches.

B. Limits of Coverage

The Limits of Coverage set forth the column labeled "Excess" in the Member Schedule of Liability Limits and Sublimits are the maximum amounts for which the POOL is liable for all excess coverage under this Part X regardless of the number of CLAIMS made or the time of payment. If the applicable Limit of Coverage for excess coverage is exhausted by the payment of DAMAGES, the POOL'S obligations under this Part X shall be deemed completely fulfilled and extinguished.

C. POOL'S Rights and Protections

The POOL has the same rights and protections under this Part X as are set forth in the ADDENDUM, including but not limited to all rights and protections that apply to the defense and settlement of any CLAIM or SUIT to which this Part X applies.

EXCLUSION OF CYBER LIABILITY AND EXPENSE COVERAGE ENDORSEMENT

The Coverage ADDENDUM is endorsed to include the following provision:

- A.** This Coverage ADDENDUM does not provide coverage for any liability, loss, penalty or expense arising directly or indirectly from any CYBER SECURITY EVENT, except for coverage provided specifically for CYBER SECURITY EVENTS under Part IX Cyber Liability and Expense Coverage.
- B.** For purposes of this exclusion the following terms have the following meanings:

COMPUTER SYSTEM means computers and associated input and output devices, DATA storage devices, networking equipment and backup facilities:

1. Operated by and either owned by or leased to any COVERED PARTY; or
2. Operated by a third party service provider and used to provide hosted computer application services to the COVERED PARTY or for processing, maintaining, hosting or storing the COVERED PARTY's ELECTRONIC DATA pursuant to a written contract with the COVERED PARTY for such services.

CYBER SECURITY EVENT means:

1. The actual or reasonably suspected THEFT, loss or unauthorized disclosure of or access to electronic PERSONAL INFORMATION in the care, custody or control of the COVERED PARTY or for which the COVERED PARTY is legally responsible; or
2. A violation or failure of the security of a COMPUTER SYSTEM, including but not limited to unauthorized access, unauthorized use, a denial of service attack or receipt or transmission of malicious code.

PERSONAL INFORMATION means an individual's name in combination with one or more of the following:

1. Information concerning the individual that constitutes "nonpublic personal information" as defined in the Gramm-Leach Bliley Act of 1999, as amended, and implementing regulations;
2. Medical or health care information concerning the individual, including without limitation "protected health information" as defined in the Health Insurance Portability and Accountability Act of 1996, as amended, and implementing regulations;
3. The individual's Social Security number, driver's license or state identification number, credit, debit, or other financial account numbers and associated security codes, access codes, passwords or personal identification numbers that allow access to the individual's

financial account information; or

4. Other nonpublic personally identifiable information, as protected under any local, state, federal or foreign law;

Provided, however, PERSONAL INFORMATION does not include information that is lawfully available to the public, including without limitation information lawfully available from any COVERED PARTY or any local, state, federal or foreign governmental entity.

All other terms and conditions of the coverage ADDENDUM remain unchanged.

EXTENSION OF DEFENSE ENDORSEMENT

This endorsement attaches to and forms part of Part VII Liability Coverage Section.

- A. Definitions that Apply to Liability Coverages, Section 2, is amended to define the term “SUIT” as:

“SUIT” means an action filed in court, or a Notice of CLAIM filed with a MEMBER in compliance with Utah Code Annotated 63G-7-40, requesting DAMAGES to which this coverage applies. “SUIT” also includes an alternative dispute resolution proceeding alleging such DAMAGES to which the COVERED PARTY must submit or submits with both our consent, and our agreement to pay for defense.

Subject otherwise to all terms, clauses and conditions of this ADDENDUM.

GENERAL LIABILITY, LAW ENFORCEMENT LIABILITY AND AUTOMOBILE LIABILITY RETROACTIVE DATES ENDORSEMENT

It is understood and agreed that the POOL provides General Liability, Law Enforcement Liability and Automobile Liability coverage for the MEMBER on the following retroactive dates:

| | | | |
|------------------|--------------|-------------------|--------------|
| Beaver County | July 1, 2013 | Morgan County | July 1, 2013 |
| Box Elder County | July 1, 2013 | Piute County | July 1, 2013 |
| Daggett County | July 1, 2013 | Rich County | July 1, 2013 |
| Davis County | July 1, 2013 | San Juan County | July 1, 2013 |
| Duchesne County | July 1, 2013 | Sanpete County | July 1, 2013 |
| Emery County | July 1, 2013 | Sevier County | July 1, 2013 |
| Garfield County | July 1, 2013 | Uintah County | July 1, 2013 |
| Iron County | July 1, 2013 | Wasatch County | July 1, 2013 |
| Juab County | July 1, 2013 | Washington County | July 1, 2013 |
| Kane County | July 1, 2013 | Wayne County | July 1, 2013 |
| Millard County | July 1, 2013 | Weber County | July 1, 2013 |

| | |
|--|-------------------|
| Beaver County Municipal Building Authority | July 1, 2013 |
| Box Elder County Redevelopment Agency | January 1, 2016 |
| Box Elder County Special Service District | January 29, 2019 |
| Canyon Land Improvement District | January 1, 2015 |
| Central Utah Public Health Department | July 1, 2013 |
| Daggett County Redevelopment Agency | February 21, 2018 |
| Duchesne County Municipal Building Authority | July 1, 2013 |
| Duchesne/Wasatch Bluebench Landfill Special Service District | July 1, 2013 |
| Emery County Municipal Building Authority | July 1, 2013 |
| Five County Association of Governments | January 1, 2016 |
| Grand County Emergency Medical Services Special Service District | January 1, 2019 |
| Iron County Special Service District #1 | July 1, 2013 |
| Juab Special Service District #2 | July 1, 2013 |
| Juab Special Service Fire District | July 1, 2013 |
| Kane County Municipal Building Authority | July 1, 2013 |
| Kane County Recreation & Transportation Special Service District | January 1, 2015 |
| Multi County Appraisal Trust | May 20, 2019 |
| Piute County Municipal Building Authority | July 1, 2013 |
| Piute Special Service District #1 | October 10, 2017 |
| San Juan Spanish Valley Special Service District | February 12, 2018 |
| San Juan Transportation Special Service District | January 1, 2015 |
| Sanpete County Municipal Building Authority | January 1, 1992 |
| Seven County Infrastructure Coalition | April 14, 2015 |
| Sevier County Municipal Building Authority | July 1, 2013 |
| Southeastern Utah District Health Department | July 1, 2013 |
| Southwest Utah Public Health Department | July 1, 2013 |
| TriCounty Health Department | July 1, 2013 |

| | |
|--|-----------------|
| Uintah County Municipal Building Authority | July 1, 2013 |
| Utah Counties Indemnity Pool | July 1, 2013 |
| Wasatch County Health Department | July 1 2013 |
| Wasatch County Parks & Recreation Special Service District #21 | April 1, 2016 |
| Wasatch County Solid Waste Disposal District | April 1, 2016 |
| Wasatch County Special Service Area #1 | April 1, 2016 |
| Wasatch County Special Service District #9 | January 1, 2017 |
| Washington County Municipal Building Authority | July 1, 2013 |
| Washington County St. Goerge Interlocal Agency | July 1, 2013 |
| Wayne County Municipal Building Authority | July 1, 2013 |
| Wayne County Special Service District #1 | July 1, 2013 |
| Wayne County Special Service District #3 | April 3, 2018 |
| Wayne County Water Conservancy District | July 1, 2013 |
| Weber County Municipal Building Authority | July 1, 2013 |
| Weber Human Services (Automobile Liability Only) | January 1, 2014 |
| Weber-Morgan Health Department | July 1, 2013 |

Subject otherwise to all terms, clauses and conditions of this ADDENDUM.

INCREASED CYBER LIABILITY LIMITS ENDORSEMENT

The Limits of Liability section of Part IX, Cyber Liability and Expense Coverage is amended as follows as respects **Davis County** only:

A. Limits of Liability

1. The limits of liability stated below establish the most the Pool will pay regardless of the number of CYBER SECURITY EVENTS, COVERED PERSONS, CLAIMS made, SUITS or REGULATORY PROCEEDINGS brought or individuals or entities making CLAIMS or bringing SUITS or REGULATORY PROCEEDINGS.
 2. The following general aggregate limit applies: The POOL will pay no more than \$4,000,000, less applicable deductible amounts, for the sum of the following in any one POOL fiscal year:
 - a. All damages and CLAIM EXPENSES covered under Section A. 1.;
 - b. All PRIVACY RESPONSE EXPENSES covered under Section A. 2.; and
 - c. All REGULATORY PENALTIES and CLAIM EXPENSES covered under Section A. 3.
 3. The following per CYBER SECURITY EVENT limit applies: Subject to the general aggregate limit specified in Section 3.A, for any one CYBER SECURITY EVENT, the POOL will pay no more than \$4,000,000, less the applicable deductible amount, for the sum of the following:
 - a. All damages and CLAIM EXPENSES covered under Section A. 1.;
 - b. All PRIVACY RESPONSE EXPENSES covered under Section A. 2; and
 - c. All REGULATORY PENALTIES and CLAIM EXPENSES covered under Section A. 3.
- This CYBER SECURITY EVENT limit is within the general aggregate limit specified in Section 3.A. and does not add to that limit.
4. The following sublimit applies: Subject to the general aggregate and per CYBER SECURITY EVENT limits specified in Sections 3.B and 3.C, the POOL will pay no more than \$1,000,000 in aggregate, less applicable deductible amounts, for all PRIVACY RESPONSE EXPENSES covered under Section A. 2. This sublimit is within the general aggregate and per CYBER SECURITY EVENT limits set forth in Sections 3.B and 3.C. and does not add to those limits.
 5. The following sublimits apply;
 - a. Subject to the general aggregate and per CYBER SECURITY EVENT limits specified

in Sections 3.B and 3.C, the POOL will pay no more than \$250,000 in aggregate, less applicable deductible amounts, for all REGULATORY PENALTIES and CLAIM EXPENSES covered under Section A. 3.

These sublimits are within the general aggregate and per CYBER SECURITY EVENT limits set forth in Sections 3.B and 3.C. and do not add to those limits.

AND:

The Limits of Liability section of Part IV, Cyber Liability and Expense Coverage is amended as follows as respects **Iron County** only:

B. Limits of Liability

1. The limits of liability stated below establish the most the Pool will pay regardless of the number of CYBER SECURITY EVENTS, COVERED PERSONS, CLAIMS made, SUITS or REGULATORY PROCEEDINGS brought or individuals or entities making CLAIMS or bringing SUITS or REGULATORY PROCEEDINGS.
2. The following general aggregate limit applies: The POOL will pay no more than \$5,000,000, less applicable deductible amounts, for the sum of the following in any one POOL fiscal year.
 - a. All damages and CLAIM EXPENSES covered under Section B. 1.;
 - b. All PRIVACY RESPONSE EXPENSES covered under Section B. 2.; and
 - c. All REGULATORY PENALTIES and CLAIM EXPENSES covered under Section B. 3.
3. The following per CYBER SECURITY EVENT limit applies: Subject to the general aggregate limit specified in Section 3.A, for any one CYBER SECURITY EVENT, the POOL will pay no more than \$5,000,000, less the applicable deductible amount, for the sum of the following:
 - a. All damages and CLAIM EXPENSES covered under Section B. 1.;
 - b. All PRIVACY RESPONSE EXPENSES covered under Section B. 2.; and
 - c. All REGULATORY PENALTIES and CLAIM EXPENSES covered under Section B. 3.

This CYBER SECURITY EVENT limit is within the general aggregate limit specified in Section 3.A. and does not add to that limit.

4. The following sublimit applies: Subject to the general aggregate and per CYBER SECURITY EVENT limits specified in Sections 3.B and 3.C, the POOL will pay no

more than \$500,000 in aggregate, less applicable deductible amounts, for all PRIVACY RESPONSE EXPENSES covered under Section B. 2. This sublimit is within the general aggregate and per CYBER SECURITY EVENT limits set forth in Sections 3.B and 3.C. and does not add to those limits.

5. The following sublimits apply:
 - a. Subject to the general aggregate and per CYBER SECURITY EVENT limits specified in Sections 3.B and 3.C, the POOL will pay no more than \$250,000 in aggregate, less applicable deductible amounts, for all REGULATORY PENALTIES and CLAIM EXPENSES covered under Section B. 3.

These sublimits are within the general aggregate and per CYBER SECURITY EVENT limits set forth in Sections 3.B and 3.C. and do not add to those limits.

Subject otherwise to all terms, clauses and conditions of this ADDENDUM.

INJUNCTIVE RELIEF DEFENSE ENDORSEMENT

This endorsement attaches to and forms part of Part III General Coverage Exclusions.

PART III GENERAL COVERAGE EXCLUSIONS, Section E. is deleted and replaced with the following language:

- E. CLAIMS arising for declaratory or injunctive relief. However, notwithstanding the definition of “SUIT” to include a request for DAMAGES to which this coverage applies, a defense may be provided up to a maximum of \$100,000 per OCCURRENCE per MEMBER for CLAIMS for injunctive relief if the POOL agrees that DAMAGES may be added to the CLAIM at a later date. This limited defense coverage is subject to all other exclusions and conditions of this ADDENDUM.

Subject otherwise to all terms, clauses and conditions of this ADDENDUM.

LAND USE ACTIONS ENDORSEMENT

This endorsement attaches to and forms part of Part III General Coverage Exclusions.

PART III GENERAL COVERAGE EXCLUSIONS, Section R. is deleted and replaced with the following language:

- R.** Any liability, CLAIMS or SUITS arising in whole or in part out of the operation of the principles of eminent domain, condemnation proceedings or CLAIMS, inverse condemnation proceedings or CLAIMS, regulatory taking by whatever name called, whether that liability accrues directly against the MEMBER or by virtue of any agreement entered into, by or on behalf of the MEMBER. CLAIMS or SUITS alleging civil rights violations arising out of any of these listed proceedings are also excluded.

Subject otherwise to all terms, clauses and conditions of this ADDENDUM.

LIMITED PROFESSIONAL HEALTH CARE SERVICES AMENDMENT

This endorsement attaches to and forms part of Part VII. A. General Liability.

Notwithstanding Part III. C. General Coverage Exclusions, it is understood and agreed that:

1. LIMITED PROFESSIONAL HEALTH CARE SERVICES is added to Part VII – Liability Coverage Section, Part A – General Liability, but only as respects coverage for the **Member** and any **Covered Party** that is a duly qualified Veterinarian, Psychologist, Physician Assistant, Registered Nurse Practitioner, Registered Nurse, Licensed Practical Nurse, Emergency Medical Technicians, Paramedics, Counselors, Social Workers, Nutritionists and related health and community worker classifications or other employees trained in first aid.
2. The following definition is added to Part VII Liability Coverage Section–Liability, A – General Liability:

LIMITED PROFESSIONAL HEALTH CARE SERVICES means **Bodily Injury** or **Personal Injury** arising out of the rendering or failure to render medical services by any **Covered Party** that is a duly qualified Veterinarian, Psychologist, Physician Assistant, Registered Nurse Practitioner, Registered Nurse, Licensed Practical Nurse, Emergency Medical Technicians, Paramedics, Counselors, Social Workers, Nutritionists and related health and community worker classifications or other employees trained in first aid.

However, LIMITED PROFESSIONAL HEALTH CARE SERVICES does not include service provided by:

- a. A hospital or emergency room facility, except when provided by a qualified medical service provider listed above as part of certification or recertification training;
- b. A physician, medical doctor (except veterinarian), osteopath, chiropractor, resident, extern, or intern;
- c. A psychiatrist;
- d. A pharmacist;
- e. A dentist, orthodontist, or periodontist; and
- f. Any other licensed health care professional other than any **Covered Party** that is a duly qualified Veterinarian, Psychologist, Physician Assistant, Registered Nurse Practitioner, Registered Nurse, Licensed Practical Nurse, Emergency Medical Technicians, Paramedics, Counselors, Social Workers, Nutritionists and related health and community worker classifications or other employees trained in first aid.

MEMBER SCHEDULE OF LIABILITY LIMITS AND SUBLIMITS

The following Limits apply to each MEMBER listed on the Participating Members Endorsement (except as noted on that endorsement).

| | <u>Primary</u> | <u>Excess</u> |
|---|---|---|
| General Liability | \$3,000,000 per OCCURRENCE/Unlimited Annual Aggregate | \$2,000,000 per OCCURRENCE/Unlimited Annual Aggregate |
| Sublimits of General Liability: | | |
| Herbicide and Pesticide Application | \$50,000 per OCCURRENCE | \$0 |
| Sewer and Drain Backup | \$100,000 per OCCURRENCE \$500,000 Annual Aggregate | \$0 |
| Terrorism | \$100,000 per OCCURRENCE and Annual Aggregate | \$0 |
| Public Officials Errors and Omissions Liability Including Employee Benefits Liability | \$3,000,000 per OCCURRENCE/Unlimited Annual Aggregate | \$2,000,000 per OCCURRENCE subject to \$10,000,000 Annual Aggregate |
| Law Enforcement Liability | \$3,000,000 per OCCURRENCE/Unlimited Annual Aggregate | \$2,000,000 per OCCURRENCE/Unlimited Annual Aggregate |
| Automobile Liability | \$3,000,000 per OCCURRENCE/Unlimited Annual Aggregate | \$2,000,000 per OCCURRENCE/Unlimited Annual Aggregate |

Annual Aggregates are based on the POOL's fiscal year.

Terrorism is further limited to \$300,000 Annual Aggregate for all MEMBERS combined.

Subject otherwise to all terms, clauses and conditions of this Addendum.

PARTICIPATING MEMBERS ENDORSEMENT

It is understood and agreed that the POOL is comprised of the following participating MEMBERS with full voting and equity rights:

| | | |
|------------------|----------------|-------------------|
| Beaver County | Iron County | San Juan County |
| Box Elder County | Juab County | Sanpete County |
| Daggett County | Kane County | Sevier County |
| Davis County | Millard County | Uintah County |
| Duchesne County | Morgan County | Wasatch County |
| Emery County | Piute County | Washington County |
| Garfield County | Rich County | Wayne County |
| | | Weber County |

It is further understood and agreed that the POOL is comprised of the following participating non-voting, non-equity MEMBERS:

Beaver County Municipal Building Authority
Box Elder County Redevelopment Agency
Box Elder County Special Service District
Canyon Land Improvement District
Central Utah Public Health Department
Daggett County Redevelopment Agency
Duchesne County Municipal Building Authority
Duchesne/Wasatch Bluebench Landfill Special Service District
Emery County Municipal Building Authority
Five County Association of Governments
Grand County Emergency Medical Services Special Service District
Iron County Special Service District #1
Juab Special Service District #2
Juab Special Service Fire District
Kane County Municipal Building Authority
Kane County Recreation & Transportation Special Service District
Multi County Appraisal Trust
Piute County Municipal Building Authority
Piute Special Service District #1
San Juan Spanish Valley Special Service District
San Juan Transportation Special Service District
Sanpete County Municipal Building Authority
Seven County Infrastructure Coalition
Sevier County Municipal Building Authority
Southeastern Utah District Health Department
Southwest Utah Public Health Department
TriCounty Health Department
Uintah County Municipal Building Authority
Utah Counties Indemnity Pool

Wasatch County Health Department
Wasatch County Parks & Recreation Special Service District #21
Wasatch County Solid Waste Disposal District
Wasatch County Special Service Area #1
Wasatch County Special Service District #9
Washington County Municipal Building Authority
Washington County St. George Interlocal Agency
Wayne County Municipal Building Authority
Wayne County Special Service District #1
Wayne County Special Service District #3
Wayne County Water Conservancy District
Weber County Municipal Building Authority
Weber Human Services (except that Part VII, Liability Coverage Section does not apply)
Weber-Morgan Health Department

Subject otherwise to all terms, clauses and conditions of this ADDENDUM.

PERSONAL INJURY PROTECTION ENDORSEMENT

This endorsement attaches to and forms part of Part VIII AUTOMOBILE Liability.

This endorsement provides Personal Injury Protection coverage required by Utah Code Ann. §31A-22-307 (Amended 2004), applicable to the operation and use of MEMBER owned AUTOMOBILES and HIRED AUTOMOBILES.

Schedule

| <u>Benefits</u> | <u>Limits</u> |
|-----------------|--|
| Medical | \$3,000 per person |
| Loss of Income | The lesser of \$250 per week or 85% of any loss of gross income; and a special damage allowance not exceeding \$20 per day, for services actually rendered or expenses reasonably incurred for services that, but for the injury, the injured person would have performed for his household. |
| Funeral Expense | \$1,500 per person |
| Survivor Loss | \$3,000 per person |

This endorsement provides only those Personal Injury Protection coverages required by Utah Code Ann. §31A-22-307 and related Sections of Utah Code Ann. §31A-22 all as amended from time to time. The definitions of Utah Code Ann. §31A-22 and restrictions permitted by that chapter for Personal Injury Protection, together with all other terms, conditions and exclusions of the ADDENDUM apply.

PRIVACY OR SECURITY EVENT LIABILITY AND EXPENSE COVERAGE ENDORSEMENT

This Addendum is amended to include the following coverage PART IX, PRIVACY OR SECURITY EVENT LIABILITY AND EXPENSE COVERAGE.

THIS IS CLAIMS MADE AND REPORTED COVERAGE.

A. Privacy or Security Event Liability and Expense Coverage Agreement

1. Third-Party Liability

- a.** The POOL will pay those sums a COVERED PARTY becomes legally obligated to pay as DAMAGES because of a PRIVACY OR SECURITY EVENT. The POOL will have the right and duty to defend the COVERED PARTY against any SUIT seeking such DAMAGES. However, the POOL will have no duty to defend any COVERED PARTY against any SUIT seeking DAMAGES to which this coverage does not apply. The POOL may at its discretion investigate any PRIVACY OR SECURITY EVENT and settle any CLAIM that may result.

But:

- (i)* The amount the POOL will pay for DAMAGES and CLAIM EXPENSES is limited as described in Section C.; and
 - (ii)* The right and duty of the POOL to defend ends when the applicable limit of liability is exhausted in the payment of judgments or settlements, REGULATORY PENALTIES, CLAIMS EXPENSES, PRIVACY RESPONSE EXPENSES, and PCI-DSS ASSESSMENTS.
- b.** This coverage applies only if:
- (i)* The PRIVACY OR SECURITY EVENT commenced on or after the Retroactive Date and before the MEMBER'S withdrawal or termination from the POOL;
 - (ii)* A CLAIM for DAMAGES because of the PRIVACY OR SECURITY EVENT is first made against the COVERED PARTY before the MEMBER'S withdrawal or termination from the POOL; and
 - (iii)* The COVERED PARTY gives written notice of the CLAIM to the POOL in accordance with Section D.
- c.** A CLAIM seeking DAMAGES will be deemed to have been made when notice of the CLAIM is received by any COVERED PARTY or by the POOL, whichever occurs first.

2. Privacy Response Expenses

- a. The POOL will pay for PRIVACY RESPONSE EXPENSES incurred by the MEMBER in connection with a PRIVACY OR SECURITY EVENT that results in the actual or reasonably suspected theft, loss or unauthorized disclosure of or access to PERSONAL INFORMATION.

But:

- (i) The amount the POOL will pay for PRIVACY RESPONSE EXPENSES is limited as described in Section C.
- b. This coverage applies only if:
 - (i) The PRIVACY OR SECURITY EVENT commenced on or after the Retroactive Date and before the MEMBER'S withdrawal or termination from the POOL; and
 - (ii) The MEMBER gives written notice of the PRIVACY OR SECURITY EVENT to the POOL in accordance with Section D.

3. Regulatory Proceedings and Penalties

- a. The POOL will pay for REGULATORY PENALTIES the COVERED PARTY becomes legally obligated to pay as a result of a REGULATORY PROCEEDING resulting from a PRIVACY OR SECURITY EVENT. The POOL will have the right and duty to defend the COVERED PARTY against any REGULATORY PROCEEDING to which this coverage applies. The POOL may at its discretion investigate any PRIVACY OR SECURITY EVENT and settle any CLAIM that may result.

But:

- (i) The amount the POOL will pay for REGULATORY PENALTIES and CLAIM EXPENSES resulting from a REGULATORY PROCEEDING is limited as described in Section C; and
- (ii) The right and duty of the POOL to defend a REGULATORY PROCEEDING ends when the applicable limit of liability is exhausted.
- b. This coverage applies only if:
 - (i) The PRIVACY OR SECURITY EVENT commenced on or after the Retroactive Date, if any, shown in the Declarations and before the MEMBER'S withdrawal or termination from the POOL;
 - (ii) A REGULATORY PROCEEDING because of the PRIVACY OR SECURITY EVENT is initiated against the COVERED PARTY before the MEMBER'S withdrawal or termination from the POOL; and

- (iii) The COVERED PARTY gives written notice of the REGULATORY PROCEEDING to the POOL in accordance with Section D.
 - c. A REGULATORY PROCEEDING will be deemed to have been initiated when notice of the REGULATORY PROCEEDING is received by any COVERED PARTY or by the POOL, whichever occurs first.

4. PCI-DSS ASSESSMENTS

- a. The POOL will pay for PCI-DSS ASSESSMENTS for which a COVERED PARTY is liable if the PCI-DSS ASSESSMENTS are due to noncompliance by the COVERED PARTY with PCI Data Security Standards and the noncompliance resulted in a PRIVACY OR SECURITY EVENT.

But:

- (i) The amount the POOL will pay for PCI-DSS ASSESSMENTS is limited as described in Section 3.
 - b. This coverage applies only if:
 - (i) The PRIVACY OR SECURITY EVENT commenced on or after the Retroactive Date and before the MEMBER'S withdrawal or termination from the POOL;
 - (ii) A Claim for PCI-DSS ASSESSMENTS is first made against the COVERED PARTY before the MEMBER'S withdrawal or termination from the POOL; and
 - (iii) The MEMBER gives written notice of the PRIVACY OR SECURITY EVENT to the POOL in accordance with Section 4.

5. Cyber Extortion Coverage

- a. The POOL will pay for CYBER EXTORTION EXPENSES and CYBER EXTORTION MONIES the Named Member pays as a direct result of a CYBER EXTORTION THREAT.

But:

- (i) The amount the POOL will pay for CYBER EXTORTION EXPENSES and CYBER EXTORTION MONIES is limited as described in Section 3.
 - b. The coverage applies only if:
 - (i) The Cyber Extortion Threat was first made against the COVERED PARTY on or after the Retroactive Date, if any, shown in the Declarations and before the MEMBER'S withdrawal or termination from the POOL;

- (ii) The MEMBER gives notice of the CYBER EXTORTION THREAT to the POOL in accordance with Section 4; and
- (iii) The MEMBER consults with the POOL and receives the POOL'S written authorization before paying any CYBER EXTORTION MONIES.

6. Deductible

For each PRIVACY OR SECURITY EVENT and CYBER EXTORTION THREAT, the POOL will pay only such amounts as are in excess of the deductible amount shown in the Declarations.

7. Limits of Liability

- a. The limits of liability stated below establish the most the POOL will pay regardless of the number of PRIVACY OR SECURITY EVENTS, CYBER EXTORTION THREATS, COVERED PARTIES, CLAIMS made, SUITS or REGULATORY PROCEEDINGS brought or individuals or entities making CLAIMS or bringing SUITS or REGULATORY PROCEEDINGS.
- b. The following general Aggregate limit applies: The POOL will pay no more than the limit shown in the Member schedule of Liability Limits and Sublimits, less applicable deductible amounts, for the sum of the following:
 - (i) All DAMAGES and CLAIM EXPENSES covered under Section A. 1.;
 - (ii) All PRIVACY RESPONSE EXPENSES covered under Section A. 2.;
 - (iii) All REGULATORY PENALTIES and CLAIM EXPENSES covered under Section A. 3.;
 - (iv) All PCI-DSS Assessments covered under Section 1.D; and
 - (v) All CYBER EXTORTION EXPENSES and CYBER EXTORTION MONIES covered under Section 1.
- c. The following sublimit applies: Subject to the general aggregate limit specified in Section 3.B, the POOL will pay no more than \$50,000 in aggregate, less applicable deductible amounts for the sum of all CYBER EXTORTION EXPENSES and CYBER EXTORTION MONIES covered under Section 1.B. This sublimit is within the general aggregate limit set forth in Section 3.B and does not add to that limit.

8. Notice to the POOL

- a. As a condition precedent to the obligations of the POOL under this coverage, the COVERED PARTY must give written notice to the POOL of any CLAIM made against the COVERED PARTY as soon as practicable, but in no event later than the date the MEMBER withdraws or is terminated from the POOL.

- b.** As a condition precedent to the obligations of the POOL under this coverage, the COVERED PARTY must give written notice to the POOL of any PRIVACY OR SECURITY EVENT or CYBER EXTORTION THREAT as soon as practicable and provide all such information relating to the PRIVACY OR SECURITY EVENT or CYBER EXTORTION THREAT as the POOL may reasonably request.
- c.** If during the period this coverage is in force, any COVERED PARTY becomes aware of a PRIVACY OR SECURITY EVENT that may reasonably be expected to give rise to a CLAIM, including a Regulatory Proceeding or PCI-DSS ASSESSMENT, against any COVERED PARTY, the COVERED PARTY must give written notice to the POOL of such PRIVACY OR SECURITY EVENT as soon as practicable, but in no event later than the date the MEMBER withdraws or is terminated from the POOL. Notice must include:

 - (i)* A specific description of the PRIVACY OR SECURITY EVENT, including all relevant dates;
 - (ii)* The names of persons involved in the PRIVACY OR SECURITY EVENT, including names of potential claimants and a specific description of any PERSONAL INFORMATION actually or reasonably suspected to have been subject to theft, loss or unauthorized access or disclosure;
 - (iii)* The specific reasons for anticipating that a CLAIM may result from such PRIVACY OR SECURITY EVENT;
 - (iv)* The specific nature of the alleged or potential DAMAGES arising from such PRIVACY OR SECURITY EVENT; and
 - (v)* The specific circumstances by which the COVERED PARTY first became aware of the PRIVACY OR SECURITY EVENT.
 - (vi)* Any CLAIM subsequently made against any COVERED PARTY arising out of such PRIVACY OR SECURITY EVENT shall be deemed to be a CLAIM made during the Coverage Period in which the PRIVACY OR SECURITY EVENT was first reported to the POOL.

9. Exclusions

The following exclusions apply to this coverage in addition to all exclusions that apply to the Public Officials Liability coverage provided under this COVERAGE ADDENDUM.

This coverage does not apply to any CLAIM, SUIT, REGULATORY PROCEEDING, DAMAGES, REGULATORY PENALTIES, CLAIM EXPENSES, PRIVACY RESPONSE EXPENSES, PCI-DSS ASSESSMENTS, CYBER EXTORTION EXPENSES or CYBER EXTORTION MONIES:

- a. For, arising out of, or resulting from BODILY INJURY or PROPERTY DAMAGE;
- b. For, arising out of, or resulting from any contractual liability or obligation, or arising out of or resulting from breach of contract or agreement either oral or written; provided, however, that this exclusion shall not apply:
 - (i) To the extent the COVERED PARTY would have been liable in the absence of such contract or agreement;
 - (ii) to amounts payable as PCI-DSS ASSESSMENTS.
- c. For, arising out of, or resulting from any actual or alleged antitrust violation, restraint of trade, unfair competition, or false or deceptive or misleading advertising or violation of the Sherman Anti-Trust Act, the Clayton Act, or the Robinson-Patman Act, as amended;
- d. For, arising out of or resulting from any actual or alleged false, deceptive or unfair trade practices; however, this exclusion does not apply to any CLAIM or loss covered under this endorsement that results from a theft, loss or unauthorized disclosure of or access to PERSONAL INFORMATION;
- e. For, arising out of or resulting from:
 - (i) The actual or alleged unlawful collection or acquisition of PERSONAL INFORMATION by or on behalf of the COVERED PARTY; or the failure to comply with a legal requirement to provide individuals with the ability to assent to or withhold assent (*i.e.*, opt-in or opt-out) from the collection, disclosure or use of PERSONAL INFORMATION; or
 - (ii) The distribution of unsolicited email, direct mail, or facsimiles, wiretapping, audio or video recording, or telemarketing, if such distribution, wiretapping, recording or telemarketing is done by or on behalf of the COVERED PARTY.
- f. For, arising out of or resulting from any of the following conduct by a COVERED PARTY:
 - (i) Any actual or alleged violation of the Organized Crime Control Act of 1970 (commonly known as the Racketeer Influenced and Corrupt Organizations Act or RICO), as amended, or any regulation promulgated thereunder or any similar federal law or law of any state, locality or foreign government, whether such law is statutory, regulatory or common law;
 - (ii) Any actual or alleged violation of any securities law, regulation or legislation, including but not limited to the Securities Act of 1933, the Securities Exchange Act of 1934, the Investment Act of 1940, any state blue sky or securities law, any other federal securities law or legislation, or any other similar law or legislation of any state, locality or foreign government, or any amendment to such laws, or any violation of any order, ruling or

regulation issued pursuant to such laws;

- (iii) Any actual or alleged violation of the Fair Labor Standards Act of 1938, the National Labor Relations Act, the Worker Adjustment and Retraining Act of 1988, the Certified Omnibus Budget Reconciliation Act of 1985, the Occupational Safety and Health Act of 1970, the Employee Retirement Security Act of 1974 or any similar law or legislation of any state, locality or foreign government, or any amendment to such laws, or any violation of any order, ruling or regulation issued pursuant to such laws; or
 - (iv) Any actual or alleged discrimination of any kind including but not limited to age, color, race, sex, creed, national origin, marital status, sexual preference, disability or pregnancy.
- g.** For, arising out of, or resulting from any criminal, dishonest, fraudulent, or malicious act, error or omission, any intentional security breach, or any intentional or knowing violation of the law committed by any COVERED PARTY; provided, however, this exclusion shall not apply unless there is a final adjudication of such conduct, an admission of such conduct by the COVERED PARTY, or in a criminal proceeding a plea of guilty, *nolo contendere*, no contest or any similar plea by the COVERED PARTY;
- h.** For, arising out of or resulting from any actual or alleged:
 - (i) Infringement of patent or patent rights or misuse or abuse of patent; or
 - (ii) Infringement of copyright arising from or related to software code or software products; or
 - (iii) Use or misappropriation of any ideas or trade secrets by a COVERED PARTY or on behalf of, or in collusion with a COVERED PARTY.
- i.** Arising out of or resulting from any of the following:
 - (i) Trading losses, trading liabilities or change in value of accounts;
 - (ii) Any loss of monies, securities or tangible property of others in the care, custody or control of the COVERED PARTY;
 - (iii) The monetary value of any electronic fund transfers or transactions by or on behalf of the COVERED PARTY that is lost, diminished, or damaged during transfer from, to or between accounts; or
 - (iv) The value of coupons, price discounts, prizes awards, or any other valuable consideration given in excess of the total contracted or expected amount that is lost, diminished or damaged.
- j.** For damage to, destruction of, corruption of, or any loss of use by any COVERED PARTY of any COMPUTER SYSTEM or data, including without limitation any costs or

expenses to the COVERED PARTY to repair or replace any COMPUTER SYSTEM or data, unless arising from a CYBER EXTORTION THREAT.

- k. For, arising out of or resulting from any threat, extortion or blackmail including but not limited to ransom payments, unless arising from a CYBER EXTORTION THREAT.

10. Definitions

The following definitions apply to this coverage:

“BODILY INJURY” means physical injury, sickness or disease sustained by any person, including death resulting from these at any time. BODILY INJURY also means mental illness, mental anguish or emotional distress, pain or suffering or shock sustained by any person, whether or not resulting from physical injury, sickness, disease or death of any person.

“CLAIM” means any demand, SUIT for DAMAGES, REGULATORY PROCEEDING or PCI-DSS ASSESSMENT resulting from a PRIVACY OR SECURITY EVENT. All CLAIMs because of a single PRIVACY OR SECURITY EVENT will be deemed to be a single CLAIM and to have been made at the time the first such CLAIM is made against any COVERED PARTY, regardless of the number of individuals or entities making such CLAIMS or the time period over which such CLAIMS are made, even if subsequent CLAIMS are made after the MEMBER withdraws or is terminated from the POOL.

“CLAIM EXPENSES” means:

- a. Reasonable and necessary fees charged by attorneys designated by the POOL or designated by the COVERED PARTY with the POOL’s prior consent to assist with the investigation, adjustment, negotiation, arbitration, defense or appeal of a CLAIM;
- b. All other reasonable and necessary fees, costs and expenses resulting from the investigation, adjustment, negotiation, arbitration, defense or appeal of a CLAIM and incurred by the POOL or by the COVERED PARTY with the POOL’s prior consent; and
- c. Premiums on appeal bonds, attachment bonds or similar bonds; however, the POOL is not obligated to apply for or furnish any such bond.

Provided, however, CLAIM EXPENSES do not include:

- a. Any internal salary, administrative, overhead or other related expenses of any COVERED PARTY or any charges by a COVERED PARTY for time spent cooperating with the investigation and defense of any CLAIM;
- b. PRIVACY RESPONSE EXPENSES; or
- c. PCI-DSS ASSESSMENTS.

“COMPUTER SYSTEM” means computers and associated input and output devices, data storage devices, networking equipment and backup facilities:

- a. Operated by and either owned by or leased to the MEMBER; or
- b. Operated by a third-party service provider and used to provide hosted computer application services to the MEMBER or for processing maintaining, hosting or storing the MEMBER’S electronic data pursuant to a written contract with the MEMBER for such services.

“CYBER EXTORTION EXPENSES” means all reasonable and necessary costs and expenses which a COVERED PARTY incurs as a direct result of a CYBER EXTORTION THREAT, other than CYBER EXTORTION MONIES.

“CYBER EXTORTION MONIES” means any funds or property which the MEMBER pays with the prior written consent of the Pool, to a person or entity reasonably believed to be responsible for the CYBER EXTORTION THREAT for the purpose of terminating the CYBER EXTORTION THREAT.

“CYBER EXTORTION THREAT” means a credible threat or series of related credible threats, including but not limited to, a demand for CYBER EXTORTION MONIES, directed at a COVERED PARTY to:

- a. Release, divulge, disseminate, destroy or use confidential information taken from the COVERED PARTY as a result of a PRIVACY OR SECURITY EVENT;
- b. Introduce malicious code into a COMPUTER SYSTEM;
- c. Corrupt, damage or destroy a COMPUTER SYSTEM;
- d. Restrict or hinder access to a COMPUTER SYSTEM;
- e. Use data taken from a COVERED PARTY as result of a PRIVACY OR SECURITY EVENT to enter into false communications with third-parties to obtain confidential information (also known as “pharming” or “phishing”).

“PCI-DSS ASSESSMENT” means any monetary penalty owed by a COVERED PARTY due to the COVERED PARTY’S noncompliance with Payment Card Industry Data Security Standards under an agreement between the COVERED PARTY and a financial institution or other person enabling the COVERED PARTY to accept credit cards, debit cards, prepaid cards, or other payment cards.

“PERSONAL INFORMATION” means an individual’s name in combination with one or more of the following:

- a. Information concerning the individual that constitutes “nonpublic personal information”

as defined in the Gramm-Leach Bliley Act of 1999, as amended, and implementing regulations;

- b.** Medical or health care information concerning the individual, including without limitation “protected health information” as defined in the Health Insurance Portability and Accountability Act of 1996, as amended, and implementing regulations;
- c.** The individual’s Social Security number, driver’s license or state identification number, credit, debit, or other financial account numbers and associated security codes, access codes, passwords or personal identification numbers that allow access to the individual’s financial account information; or
- d.** Other nonpublic personally identifiable information, as protected under any local, state, federal or foreign law;

Provided, however, PERSONAL INFORMATION does not include information that is lawfully available to the public, including without limitation information lawfully available from any COVERED PARTY or any local, state, federal or foreign governmental entity.

“PRIVACY OR SECURITY EVENT” means:

- a.** The actual or reasonably suspected theft, loss or unauthorized disclosure of or access to electronic PERSONAL INFORMATION in the care, custody or control of the MEMBER or for which the MEMBER is legally responsible, regardless of whether such PERSONAL INFORMATION is maintained in electronic, paper or any other format; or
- b.** A violation or failure of the security of a COMPUTER SYSTEM, including but not limited to unauthorized access, unauthorized use, a denial of service attack or receipt or transmission of malicious code.

Any PRIVACY OR SECURITY EVENT that is continuous or part of a series of repeated or related PRIVACY OR SECURITY EVENTS will be considered to be a single PRIVACY OR SECURITY EVENT and will be considered to have commenced when the first such PRIVACY OR SECURITY EVENT commenced regardless of:

- a.** The number of individuals or entities engaged in such PRIVACY OR SECURITY EVENTS;
- b.** The number of individuals or entities affected by such PRIVACY OR SECURITY EVENTS;
- c.** The number of locations where such PRIVACY OR SECURITY EVENTS occurred; or
- d.** The number of such PRIVACY OR SECURITY EVENTS occurring or period of time over which they occur, even if subsequent PRIVACY OR SECURITY EVENTS take place after the MEMBER withdraws or is terminated from the POOL.

“PRIVACY RESPONSE EXPENSES” means the following reasonable and necessary costs incurred by the MEMBER within one year of the discovery of a PRIVACY OR SECURITY EVENT that results in the actual or reasonably suspected THEFT, loss or unauthorized disclosure of or access to electronic PERSONAL INFORMATION in the care, custody or control of the MEMBER or for which the MEMBER is legally responsible:

- a. For the services of a security expert designated by the POOL to determine the scope and cause of a PRIVACY OR SECURITY EVENT and the extent to which PERSONAL INFORMATION was disclosed to or accessed by unauthorized persons;
- b. For the services of consultants or attorneys designated by the POOL to determine the MEMBER’S obligations, if any, under applicable law to give notice to affected individuals;
- c. To notify affected individuals if required by applicable law or if the MEMBER voluntarily elects to give such notice, and for the services of a contractor designated by the POOL to assist with providing such notice and responding to questions and concerns raised by individuals who are notified;
- d. For the services of a contractor designated by the POOL to provide identity theft protection services to affected individuals if the MEMBER elects to provide such services; and
- e. For the services of a public relations consultant designated by the POOL to avert or mitigate damage to the MEMBER’S reputation as a result of the PRIVACY OR SECURITY EVENT.

Provided, however, PRIVACY RESPONSE EXPENSES do not include:

- a. Any internal salary, administrative, overhead or other related expenses of any COVERED PARTY or any charges by a COVERED PARTY for time spent cooperating with the investigation and response to any PRIVACY OR SECURITY EVENT;
- b. CLAIM EXPENSES;
- c. PCI-DSS ASSESSMENTS;
- d. PRIVACY EXTORTION EXPENSES; or
- e. PRIVACY EXTORTION MONIES.

“PROPERTY DAMAGE” means physical injury to tangible property, including all resulting loss of use or loss of use of tangible property that is not physically injured. For purposes of this definition tangible property does not include information or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, compact disks, tapes, drives, cells, data processing devices or any

other media that are used with electronically controlled equipment.

“REGULATORY PENALTIES” means any civil fine or civil monetary penalty imposed in a REGULATORY PROCEEDING payable by a COVERED PARTY to the governmental entity bringing the REGULATORY PROCEEDING and any sum of money that a COVERED PARTY is legally obligated to deposit in a fund as equitable relief for the payment of consumer CLAIMS due to an adverse judgment or settlement of a REGULATORY PROCEEDING.

“REGULATORY PROCEEDING” means a request for information, civil investigative demand, SUIT, civil investigation or civil proceeding commenced by or on behalf any local, state, federal or foreign governmental entity in the entity’s regulatory or official capacity.

“SUIT” means a civil proceeding arising out of a CYBER SECURITY EVENT and includes an arbitration proceeding or other alternative dispute resolution proceeding and to which the COVERED PARTY must submit or does submit with the consent of the POOL.

PRIVACY OR SECURITY LIABILITY RETROACTIVE DATES ENDORSEMENT

It is understood and agreed that the POOL provides PRIVACY OR SECURITY Liability coverage for the MEMBER on the following retroactive dates:

| | Retroactive Date for the following Limit of Liability | | Retroactive Date for the following Limit of Liability | | Retroactive Date for the following Limit of Liability | |
|---|---|-------------|---|-------------|---|-------------|
| Beaver County | 7/1/13 | \$1,000,000 | 9/1/19 | \$2,000,000 | | |
| Box Elder County | 7/1/13 | \$1,000,000 | 9/1/19 | \$2,000,000 | | |
| Daggett County | 7/1/13 | \$1,000,000 | 9/1/19 | \$2,000,000 | | |
| Davis County | 7/1/13 | \$1,000,000 | 1/1/16 | \$4,000,000 | | |
| Duchesne County | 7/1/13 | \$1,000,000 | 9/1/19 | \$2,000,000 | | |
| Emery County | 7/1/13 | \$1,000,000 | 9/1/19 | \$2,000,000 | | |
| Garfield County | 7/1/13 | \$1,000,000 | 9/1/19 | \$2,000,000 | | |
| Iron County | 7/1/13 | \$1,000,000 | 6/1/16 | \$5,000,000 | | |
| Juab County | 7/1/13 | \$1,000,000 | 9/1/19 | \$2,000,000 | | |
| Kane County | 7/1/13 | \$1,000,000 | 9/1/19 | \$2,000,000 | | |
| Millard County | 7/1/13 | \$1,000,000 | 9/1/19 | \$2,000,000 | | |
| Morgan County | 7/1/13 | \$1,000,000 | 9/1/19 | \$2,000,000 | | |
| Piute County | 7/1/13 | \$1,000,000 | 9/1/19 | \$2,000,000 | | |
| Rich County | 7/1/13 | \$1,000,000 | 9/1/19 | \$2,000,000 | | |
| San Juan County | 7/1/13 | \$1,000,000 | 9/1/19 | \$2,000,000 | | |
| Sanpete County | 7/1/13 | \$1,000,000 | 9/1/19 | \$2,000,000 | | |
| Sevier County | 7/1/13 | \$1,000,000 | 9/1/19 | \$2,000,000 | | |
| Uintah County | 7/1/13 | \$1,000,000 | 9/1/19 | \$2,000,000 | 1/1/20 | \$5,000,000 |
| Wasatch County | 7/1/13 | \$1,000,000 | 9/1/19 | \$2,000,000 | | |
| Washington County | 7/1/13 | \$1,000,000 | 9/1/19 | \$2,000,000 | | |
| Wayne County | 7/1/13 | \$1,000,000 | 9/1/19 | \$2,000,000 | | |
| Weber County | 7/1/13 | \$1,000,000 | 9/1/19 | \$2,000,000 | 1/1/20 | \$3,000,000 |
| Beaver County Municipal Building Authority | 7/1/13 | \$1,000,000 | 9/1/19 | \$2,000,000 | | |

| | | | | | | |
|--|----------|-------------|--------|-------------|--------|-------------|
| Box Elder County Redevelopment Agency | 1/1/16 | \$1,000,000 | 9/1/19 | \$2,000,000 | | |
| Box Elder County Special Service District | 1/29/19 | \$1,000,000 | 9/1/19 | \$2,000,000 | | |
| Canyon Land Improvement District | 1/1/15 | \$1,000,000 | 9/1/19 | \$2,000,000 | | |
| Central Utah Public Health Department | 7/1/13 | \$1,000,000 | 9/1/19 | \$2,000,000 | 1/1/20 | \$5,000,000 |
| Daggett County Redevelopment Agency | 2/21/18 | \$1,000,000 | 9/1/19 | \$2,000,000 | | |
| Duchesne County Municipal Building Authority | 7/1/13 | \$1,000,000 | 9/1/19 | \$2,000,000 | | |
| Duchesne/Wasatch Bluebench Landfill Special Service District | 7/1/13 | \$1,000,000 | 9/1/19 | \$2,000,000 | | |
| Emery County Municipal Building Authority | 7/1/13 | \$1,000,000 | 9/1/19 | \$2,000,000 | | |
| Five County Association of Governments | 1/1/16 | \$1,000,000 | 9/1/19 | \$2,000,000 | | |
| Grand County Emergency Medical Services Special Service District | 1/1/19 | \$1,000,000 | 9/1/19 | \$2,000,000 | | |
| Iron County Special Service District #1 | 7/1/13 | \$1,000,000 | 9/1/19 | \$2,000,000 | | |
| Juab Special Service District #2 | 7/1/13 | \$1,000,000 | 9/1/19 | \$2,000,000 | | |
| Juab Special Service Fire District | 7/1/13 | \$1,000,000 | 9/1/19 | \$2,000,000 | | |
| Kane County Municipal Building Authority | 7/1/13 | \$1,000,000 | 9/1/19 | \$2,000,000 | | |
| Kane County Recreation and Transportation Special Service District | 1/1/15 | \$1,000,000 | 9/1/19 | \$2,000,000 | | |
| Multi County Appraisal Trust | 5/20/19 | \$1,000,000 | 9/1/19 | \$2,000,000 | | |
| Piute County Municipal Building Authority | 7/1/13 | \$1,000,000 | 9/1/19 | \$2,000,000 | | |
| Piute Special Service District #1 | 10/10/17 | \$1,000,000 | 9/1/19 | \$2,000,000 | | |
| San Juan Spanish Valley Special Service District | 2/12/18 | \$1,000,000 | 9/1/19 | \$2,000,000 | | |
| San Juan Transportation District | 1/1/15 | \$1,000,000 | 9/1/19 | \$2,000,000 | | |
| Sanpete County Municipal Building Authority | 7/1/13 | \$1,000,000 | 9/1/19 | \$2,000,000 | | |

| | | | | |
|--|---------|-------------|--------|-------------|
| Seven County Infrastructure Coalition | 4/14/15 | \$1,000,000 | 9/1/19 | \$2,000,000 |
| Sevier County Municipal Building Authority | 7/1/13 | \$1,000,000 | 9/1/19 | \$2,000,000 |
| Southeastern Utah District Health Department | 7/1/13 | \$1,000,000 | 9/1/19 | \$2,000,000 |
| Southwest Utah Public Health Department | 7/1/13 | \$1,000,000 | 9/1/19 | \$2,000,000 |
| TriCounty Health Department | 7/1/13 | \$1,000,000 | 9/1/19 | \$2,000,000 |
| Uintah County Municipal Building Authority | 7/1/13 | \$1,000,000 | 9/1/19 | \$2,000,000 |
| Utah Counties Indemnity Pool | 7/1/13 | \$1,000,000 | 9/1/19 | \$2,000,000 |
| Wasatch County Health Department | 7/1/13 | \$1,000,000 | 9/1/19 | \$2,000,000 |
| Wasatch County Parks & Recreation Special Service District #21 | 4/1/16 | \$1,000,000 | 9/1/19 | \$2,000,000 |
| Wasatch County Solid Waste Disposal District | 4/1/16 | \$1,000,000 | 9/1/19 | \$2,000,000 |
| Wasatch County Special Service Area #1 | 4/1/16 | \$1,000,000 | 9/1/19 | \$2,000,000 |
| Wasatch County Special Service District #9 | 1/1/17 | \$1,000,000 | 9/1/19 | \$2,000,000 |
| Washington County Interlocal Agency | 7/1/13 | \$1,000,000 | 9/1/19 | \$2,000,000 |
| Washington County Municipal Building Authority | 7/1/13 | \$1,000,000 | 9/1/19 | \$2,000,000 |
| Wayne County Municipal Building Authority | 7/1/13 | \$1,000,000 | 9/1/19 | \$2,000,000 |
| Wayne County Special Service District #1 | 7/1/13 | \$1,000,000 | 9/1/19 | \$2,000,000 |
| Wayne County Special Service District #3 | 4/3/18 | \$1,000,000 | 9/1/19 | \$2,000,000 |
| Wayne County Water Conservancy District | 7/1/13 | \$1,000,000 | 9/1/19 | \$2,000,000 |
| Weber County Municipal Building Authority | 7/1/13 | \$1,000,000 | 9/1/19 | \$2,000,000 |
| Weber Human Services | 1/1/15 | \$1,000,000 | 9/1/19 | \$2,000,000 |
| Weber-Morgan Health Department | 7/1/13 | \$1,000,000 | 9/1/19 | \$2,000,000 |

Subject otherwise to all terms, clauses and conditions of this ADDENDUM.

SECURITY CLAIMS EXCLUSION AND LIMITED COVERAGE ENDORSEMENT

This endorsement attaches to and forms part of Part III General Coverage Exclusions, Part IV General Definitions.

This endorsement modifies coverage provided under the following:

PART III GENERAL COVERAGE EXCLUSIONS is amended to include the following additional language:

To any CLAIMs arising in whole or in part out of any SECURITIES CLAIM.

- A. This exclusion applies whether or not the COVERED PARTY is alleged to have actually participated in events from which the SECURITIES CLAIM arises.
- B. This exclusion applies to any CLAIM that in any way involves any alleged WRONGFUL ACT in connection with the activities encompassed within the definition of a “SECURITIES CLAIM”, whether intentional, reckless, negligent, or in a circumstance in which the law imposes strict liability. In addition, the exclusion applies to any CLAIM or SUIT arising out of such conduct, whether criminal, civil, state or federal, statutory or common law.

However a defense will be provided, up to a maximum of \$35,000 per OCCURRENCE per MEMBER. The sub-limited amount applies to defense costs of the MEMBER only and cannot be applied to pay a settlement, plaintiff’s costs or legal fees. CLAIMs for injunctive relief appeals to District Court are not eligible for defense costs.

PART IV GENERAL DEFINITIONS is amended to include the following additional language:

SECURITIES CLAIM means any SUIT or CLAIM for DAMAGES, rescission or restitution, arising out of any actual or alleged violation of:

- A. The Securities Act of 1933; or
- B. The Securities Exchange Act of 1934; or
- C. The Public Utilities Holding Act of 1935; or
- D. The Trust Indenture Act of 1939; or
- E. The Investment Company Act of 1940; or
- F. The Investment Advisors Act of 1940; or

- G.** Any state Blue Sky Laws; or any rules, regulations or amendments issued in relation to such acts; or
- H.** Any common law claim arising out of or in any way concerning or related to:
 - 1.** The promotion, issuance, sale or solicitation for sale of SECURITIES, bonds, debentures, stocks, options, warrants, trusts, real estate, REIT, or any other investment of any kind by any COVERED PARTY; or
 - 2.** Recommendations, representations, or opinions concerning investment advice given by any COVERED PARTY or any person or organization referred to by any COVERED PARTY in connection with the performance or nonperformance of any SECURITIES, bonds, debentures, stocks, options, warrants, trusts, real estate, REIT, or any other investment of any kind; or
 - 3.** Any common law principles of liability, if made in connection with an actual or alleged violation of any law listed in 1-7 above.

SECURITIES CLAIM includes CLAIMS arising out of the solicitation of, attempt to commit, or conspiracy to commit, any act described in the preceding paragraphs.

Subject otherwise to all terms, clauses and conditions of this ADDENDUM.

SEWER AND DRAIN COVERAGE EXTENSION ENDORSEMENT

Subject to the Sublimits shown on the MEMBER Schedule of Liability Limits and Sublimits, we will indemnify the MEMBER for those sums that the MEMBER becomes legally obligated to pay as DAMAGES because of BODILY INJURY, PROPERTY DAMAGE, PERSONAL INJURY or ADVERTISING INJURY, or LOSS ADJUSTMENT EXPENSE for each OCCURRENCE or WRONGFUL ACT arising from the actual, alleged or threatened discharge, dispersal, seepage, migration, release, escape, back up or overflow of any water or sewage from any sewer, drain or sump (whether open or closed).

TERRORISM ENDORSEMENT

This endorsement attaches to and forms part of Part VII LIABILITY COVERAGE SECTION.

PART III GENERAL COVERAGE EXCLUSIONS, Section G, excluding any act of terrorism does not apply to the first \$3,000,000 per occurrence for General Liability, Law Enforcement Liability and Public Officials Liability claims.

Subject otherwise to all terms, clauses and conditions of this ADDENDUM.

UNDERINSURED MOTORIST COVERAGE ENDORSEMENT

This endorsement attaches to and forms part of Part VIII AUTOMOBILE Liability.

This endorsement provides the underinsured motorist coverage required by Utah Code Ann. §31A-22-305.3 as amended from time to time, applicable to the operation and use of MEMBER owned AUTOMOBILES and HIRED AUTOMOBILES.

Schedule

| <u>Benefits</u> | <u>Limits</u> |
|-----------------|--|
| BODILY INJURY | \$10,000 per person \$20,000 per OCCURRENCE |

This endorsement provides only those underinsured motorist coverages required by Utah Code Ann. §31-22-305.3 as amended form time to time and related Sections of Utah Code Ann. §31A-22. The definitions of Utah Code Ann. §31A-22 and restrictions permitted by that chapter for underinsured motorist coverage, together with all other terms, conditions and exclusions of the ADDENDUM apply.

UNINSURED MOTORIST COVERAGE ENDORSEMENT

This endorsement attaches to and forms part of Part VIII AUTOMOBILE Liability.

This endorsement provides uninsured motorist coverage required by Utah Code Ann. §31A-22-305 as amended from time to time, applicable to the operation and use of MEMBER owned AUTOMOBILES and HIRED AUTOMOBILES.

Schedule

| <u>Benefits</u> | <u>Limits</u> |
|-----------------|---|
| BODILY INJURY | \$25,000 per person \$500,000 per OCCURRENCE |

This endorsement provides only those uninsured motorist coverages required by Utah Code Ann. §31-22-305 as amended from time to time, and related Sections of Utah Code Ann. §31A-22. The definitions of Utah Code Ann. §31A-22 and restrictions permitted by that chapter for uninsured motorist coverage, together with all other terms, conditions and exclusions of the ADDENDUM apply.

UNMANNED AIRCRAFT ENDORSEMENT

Notwithstanding **Part III GENERAL COVERAGE EXCLUSIONS**, Section L:

- A. Subject to the terms, conditions and limits of liability of the ADDENDUM and the terms, conditions, exclusions and limits of liability of this Endorsement, the exclusion to operation or use or entrustment to others of an aircraft does not apply to UNMANNED AIRCRAFT with respect to the liability of a COVERED PERSON for BODILY INJURY, PERSONAL INJURY or PROPERTY DAMAGE caused by an OCCURRENCE and arising out of the ownership, maintenance or use of the UNMANNED AIRCRAFT.
- B. Coverage is provided under this Endorsement only if all of the following conditions are met:
 - 1. The UNMANNED AIRCRAFT was scheduled with the POOL prior to the OCCURRENCE resulting in a CLAIM. For any UNMANNED AIRCRAFT not scheduled with the POOL at the time of OCCURRENCE resulting in a CLAIM, a sublimit shall apply of \$100,000 for defense of the CLAIM only.
 - 2. Ownership, maintenance and use of the UNMANNED AIRCRAFT complies with all applicable laws, regulations, requirements and guidelines of the FEDERAL AVIATION ADMINISTRATION and any other regulatory authority, including but not limited to laws, regulations, requirements and guidelines concerning obtaining and maintaining any Certificate of Waiver or Authorization or other license, permit, waiver, certificate or other authorization; registration and marking of the UNMANNED AIRCRAFT; training, certification and medical condition of the UNMANNED AIRCRAFT operator; maintaining visual line of sight by the operator; using a visual observer; approved scope, place and time of operation; maximum speed and altitude of flight; maximum weight of the UNMANNED AIRCRAFT (including everything on board); airworthiness, inspection and maintenance of the UNMANNED AIRCRAFT and any associated equipment, software or other elements including communication links and components that control or otherwise are used to maintain or operate the UNMANNED AIRCRAFT; and preflight familiarization, inspection and actions.
 - 3. Maintenance and use of the UNMANNED AIRCRAFT is conducted within the scope of use approved by the MEMBER and in accordance with any requirements or guidelines established by the MEMBER.
- C. Coverage under this Endorsement does not apply to claims caused by hijacking or any unlawful seizure or wrongful exercise of control of the UNMANNED AIRCRAFT (including any attempt at such seizure or control) by any person, including but not limited to claims arising while the UNMANNED AIRCRAFT is outside the control of the COVERED PERSON by reason of such hijacking, unlawful seizure or wrongful exercise of control. The UNMANNED AIRCRAFT shall be deemed to have been restored to the control of the COVERED PERSON on the safe return of the UNMANNED AIRCRAFT

to the COVERED PERSON at an airfield or off-airport location within the COVERAGE TERRITORY that is entirely suitable for the operation of the UNMANNED AIRCRAFT (such safe return shall require that the UNMANNED AIRCRAFT be parked with engines shut down and under no duress).

D. The following definitions apply to this Endorsement:

- 1.** “FEDERAL AVIATION ADMINISTRATION” means the duly constituted authority of the United States of America having jurisdiction over governmental aircraft operations, or its duly constituted equivalent in any other country.
- 2.** “UNMANNED AIRCRAFT” means an aerial vehicle that is not controlled by a person from within or on the aerial vehicle.

Other terms in this Endorsement that are capitalized and appear in bold have the same meaning as the meaning assigned to them in the body of the COVERAGE ADDENDUM.

Subject otherwise to all terms, clauses and conditions of this ADDENDUM.

UTAH GOVERNMENTAL IMMUNITY ACT ENDORSEMENT

It is hereby understood and agreed that coverage will apply to CLAIMS and actions for which immunity is not available under, or is waived by a MEMBER, under the Utah Governmental Immunity Act, Utah Code Ann. §63G-7-101 et. seq., as amended from time to time, and to defense and supplementary payments only as defined in this ADDENDUM, for such CLAIMS. Notwithstanding, any such waiver of the Utah Governmental Immunity Act must be approved by the POOL and the MEMBER by resolution of its governing body for coverage to attach in excess of the applicable immunity limits.

All other terms and conditions remain unchanged.

COMMUNICABLE DISEASE EXCLUSION ENDORSEMENT

This endorsement attaches to and forms part of Part III General Coverage Exclusions.

PART III GENERAL COVERAGE EXCLUSIONS, Exclusion U is added with the following language:

- U.** Any liability, CLAIMS or SUITS arising out of the actual or alleged transmission of a communicable disease. This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the:
 - 1.** Supervising, hiring, employing, training or monitoring of others that may be infected with and spread a communicable disease;
 - 2.** Testing for a communicable disease;
 - 3.** Failure to prevent the spread of the disease; or
 - 4.** Failure to report the disease to authorities.

Subject otherwise to all terms, clauses and conditions of this ADDENDUM.